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FY 86-87 =

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City and County of San Francisco
Purchasing Department
City Hall, Room 270
San Francisco, CA 94102-4685

November 1, 1987

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I. Introduction

A. Background on the Purchasing Department

The Purchasing Department is established by the City Charter. In Section 7.100, the Charter gives the department the responsibility to bid and award procurement contracts; to maintain central storerooms and warehouses; to operate garages and shops for repair of City vehicles and equipment; and for property no longer needed by a particular department, to transfer the property to another department or else sell it if no other department can use it. From this statutory charge the Purchasing Department has developed its basic organizational structure: Administration; Buying Division; Central Shops; Stores and Equipment Division; and City Hall's Mailroom and Reproduction Bureau. The latter two operations were established as economical services for City departments located in the Civic Center area.

B. Overview of FY 1986-87

Modernization of the department, historically a continuing concern, remained the major goal of management.

Office automation took a major step forward with the installation of Wang terminals and PC's. Purchasing's equipment was supported by the Wang mainframe in the City Attorney's Office, a machine which had extra capacity available for Purchasing's use on a short- to medium-term basis. Discussions were held with several City Hall departments on the feasibility supporting Purchasing permanently. Agreement was reached with the Clerk of the Board, which had been planning a major upgrade and expansion of its system. The Clerk agreed to purchase the system, and Purchasing agreed to help pay the cost of the system administrator.

The position of Finance Director was established and filled. The position was needed to support the operations of a large department responsible for spending over a third of a billion dollars annually.

Within the Buying Division, a major accomplishment was the drafting and execution of a new contract for the City's towing needs. The contract consolidated two parts of towing operations which had previously been managed as two separate contracts with different contractors. The single contract was awarded to one contractor, after the proposed award was approved as to form by the City Attorney, and then approved by Resolution by the Board of Supervisors.

Purchasing Department Annual Report, FY 86-87
November 1, 1987

In Central Shops, the department submitted to the Mayor a report on the City's vehicle fleet. In the previous year, the Mayor had requested general information on fleet management and on suggestions for more economical vehicle purchasing. The report answered the specific questions posed and presented an overview of fleet management policies and procedures. Central Shops also began a major effort to ensure compliance with hazardous materials regulations.

The Stores and Warehouse Division began a major effort to upgrade its operations by establishing new classifications within the Storekeeper series. The new positions were needed in view of the greater responsibilities fulfilled by certain members of the basic Storekeeper series already in existence. Placement examinations were developed, and testing was scheduled for 87-88.

II. Administration and the Buying Division

The Buying Division and the Administration of the department are discussed together because many of the management and operational issues which involve the Administration are related to the procurement functions of the Buying Division.

A. Mission, Goals and Objectives of the Buying Division

1. Mission

The overall mission of the Purchasing Department's Buying Division is to acquire materials and service for all City departments within specified standards of quality, timeliness of purchase, efficiency and accountability. The latter term encompasses, among other standards, compliance with all applicable Federal, California, and San Francisco statutes and regulations.

2. Goals

To implement the mission of the department, general goals are set:

- a. Document and formalize internal and external policies and procedures to promote a well-run and productive buying division.
- b. Develop standards and objectives that will allow the Buying Division to process requisitions and contracts more efficiently in accordance with sound business practices.
- c. Develop sound business and personnel relationships with other City department personnel to assist in meeting requesting departments' needs, and dedicating the Division to providing the highest possible level of service to the departments.
- d. Continue to develop a sound program for the acquisition of goods and services from minority, women, and local businesses.
- e. Assist in developing and implementing an automated procurement program to better serve the overall interests of the City and to improve buyers' productivity.

- f. Continue to review all policies, procedures, goals and objectives on an on-going basis to enable the Division to be on the leading edge of the purchasing profession.

3. Objectives

The Division's objectives, in turn, put the goals into practice in terms of specific tasks, which can either be on-going or have definite completion milestones. The objectives are often part of the Division's operating plan (see next section).

B. Operating Plan

Operating plans are used as a standard management tool in the department. Each Division develops its own plan. The plans' formulation process involves the following steps:

1. At the beginning of the planning period, management establishes overall goals or objectives for the entire organization. These overall objectives are then translated into action plans for every manager in the organization so that each has clear, unambiguous objectives for his or her particular area of responsibility--objectives which are in keeping with the overall organizational objectives.
2. An organizational structure consistent with and capable of achieving these objectives must be established. Whereas objectives represent the "end," organization represents the "means" or the vehicle by which the objectives will be achieved.
3. Position descriptions which clearly define the responsibilities of each individual in the organizational structure must then be developed.
4. The next phase involved establishing performance standards to guide and direct each individual's activities. These performance standards must be supportive of and consistent with functional areas and overall objectives.

C. Decentralization

The Buying Division built on previous years' efforts to improve service level to requesting departments by locating Senior Purchasers in some departments and dedicating them full-time to procurement for the assigned department. This year, one purchaser was assigned to S.F. General Hospital and one to

PUC (Municipal Railway), one senior purchaser was relocated from City Hall to DPW, and one to Rec and Park. With single Senior Purchasers already assigned to San Francisco International Airport, General Hospital, PUC, DPW, and Rec and Park, this resulted in a total of seven satellite purchasers supporting five individual departments.

D. Interface Procedures

A new interface procedure was signed with an additional department during the year. The procedures delineate lines of authority, matrix management reporting relationships, and other matters. In the previous year, Purchasing's first interface procedure was signed General Hospital. This year, a procedure was signed with PUC.

E. Data Processing

1. Procurement System Project

Purchasing finished Phase 1 of its system development plan, which was to identify high-level system needs and potential software packages. The City's requirements for an automated procurement system are very similar to those of government agencies in general, and the project team identified four existing public procurement systems that could meet the City's needs. Due to the need for interfaces with the City's accounting systems, the team worked closely with the Controller's Office in this project.

The next phase of the project will be to develop a detailed requirements specification, tailored to the system identified as most closely fitting the City's needs.

2. Document Tracking System

As an interim measure until a full procurement management information system could be implemented, Purchasing developed an automated system for tracking purchasing documents. The system, which would be put in place in the next fiscal year, provided a major benefit both to Purchasing and to user departments: the ability to obtain information regarding the status of requisitions, payments, etc., much more quickly.

3. Office Automation Project

The need to automate the office had been recognized for some time. At the beginning of the year, the office had only a word processor, with one printer shared by several workstations.

The department had received approval in the previous year to begin installing Wang PC's and workstations as the initial phase to automate the entire office.

The first pieces of equipment, consisting of one workstation, two PC's and two printers, were installed early in the year. More workstations were installed later. The introduction of this equipment allowed the department to begin staff training and set the foundation for the transition to a full Wang system for the department.

The clerical staff was trained in Wang word processing, and the department began using word processing for as much contract preparation and correspondence functions as possible.

This equipment was linked the City Attorney's Wang mainframe, which had capacity available for Purchasing's use. The agreement between the two departments was that Purchasing could use the mainframe while the department explored with other departments the possibility of sharing equipment on a long-term basis.

Purchasing and the Clerk of the Board of Supervisors reached agreement to share the costs of a system administrator. The Clerk's Office had been planning to upgrade and expand its Wang office system. The new mainframe would require a full-time system administrator.

F. Other Improvements

Apart from automation, the department implemented several policy and procedural changes to streamline or improve the purchasing process.

1. Fund Accountants in Purchasing

Purchasing and the Controller's Office agreed to locate two fund accountants in the Purchasing Department, with terminals linked to FAMIS. As a result, Purchasing's process of identifying vendor and price, and the Controller's encumbrance process, can occur simultaneously. Benefits include:

- shortened the purchasing process by a week or more.
- saved staff time tracing orders in both Purchasing and the Controller's Office.
- avoided preparation of duplicate orders due to lost documents.

2. Training Sessions

The department developed several extensive training programs for City departments on buying policies and procedures, attended by over 200 City staff from virtually all departments. The sessions acquainted the audience with revised forms and procedures.

G. South Africa Divestment Ordinance

1. General

Implementing the Divestment Ordinance continued to take a significant amount of staff time. Tasks included:

- extensive modification of forms and creation of new recordkeeping systems.
- dealing with vendor and user department questions.
- analysis of special concerns for certain commodity areas.
- special legal analyses.

2. Regulations

The ordinance empowers the Purchaser to issue regulations for the purchase of services and commodities. As implementation of the Ordinance continued, it became apparent that dedicated resources were not available in either Purchasing or the City Attorney's Office to develop regulations. Purchasing and other contract awarding authorities relied on advice from the City Attorney's Office in response to specific procurement questions.

Early in the year, Purchasing submitted a request for a supplemental appropriation related to the ordinance, and the regulations project was deferred until the supplemental became implemented. Late in the year, a Deputy City Attorney was assigned full-time to Purchasing to deal with Ordinance-related matters, and drafting of the regulations began. The draft regulations were circulated to the public for comment early in FY 87-88.

The supplement also provided funds for some data processing assistance.

G. Towing

1. General

The City continued to experience significant performance problems with the contractors responsible for towing, storing and removing vehicles from City streets. The time devoted by the Director and both Assistant Directors to address these continuing problems was thus not available for departmental modernization and other, higher-level management issues with impact throughout City government.

The City's towing contracts were two: (1) towaway zones, accidents, driveways; (2) abandoned vehicles. At the beginning of the fiscal year, ABC Towing had the towaway zone tows, and City Auto Services had abandoneds. In the previous year, ABC had filed for bankruptcy.

The first interim contractor the City used for abandoned tows failed to perform the contract. For over two months, it was necessary for Purchasing and DPW to provide trucks and mechanics to tow abandoned vehicles to a City-owned site. Eventually, another interim emergency contract for abandoned tows was awarded to a different contractor, who performed for the balance of the fiscal year.

At the same time, there were difficulties with the towaway zone contractor. Purchasing had to negotiate fee increases and lease agreements to keep the contractor in operation.

2. Identifying Land for Storage Sites

During 85-86, several City departments, led by Purchasing, the City Attorney's Office, the Port, and Real Estate, began the project of formulating long-term solutions to the City's history of unreliable towing contractors. Availability of land for storing and dismantling vehicles historically had been a problem for many contractors, and so the group's central task was to identify land which the City either owned or could lease on a long-term basis, and then lease or sublease to future contractors. This process bore fruit in FY 86-87.

To facilitate the operations of the abandoned-tow contractor during this period of emergency interim contracts, the Port made available land at Pier 70 for storage, but not for dismantling. The land could be used short-term and at no charge.

Additional discussions with the Port identified other land near the temporary storage site which could be leased to the City's contractor to store, dismantle and crush abandoned cars.

Because the Pier 70 property was not centrally located, it would not have been an acceptable site for temporary storage of vehicles towed from towaway zones. It would be difficult for owners to get to the site to claim their cars. City departments continued looking for land and eventually identified a storage facility at the corner of 11th and Mission Streets. The City was not able to purchase the property, so a lease with the owner was negotiated.

3. Developing a Consolidated Tow Contract

Based on the City's years of experience with many contractors, departments reached the conclusion that a consolidated tow contract was in the City's, and the contractor's, best interests. It appeared that towing abandoned vehicles was unprofitable, and towing towaway-zone vehicles was profitable. Thus, the City concluded that exploring the feasibility of a consolidated towing contract offered a reasonable prospect of avoiding the continuing performance problems abandoned-tow contractors experienced.

Purchasing and the City Attorney's Office devoted one month to drafting a consolidated towing contract. The contract was drafted as an integral part of the Request-for-Proposal (RFP) package which Purchasing planned to distribute to interested parties, with the goal of having one contract with one contractor.

4. The Request-for-Proposal Process

Purchasing conducted an RFP process involving three phases. The process was described in the RFP itself.

Phase 1: Minimum Qualifications

Responders were asked to respond to a list of basic qualifications, including financial resources. Among other requirements, to protect the City against possible default, the City required the successful contractor to deposit \$370,000 in the City Treasury.

Phase 2: Selecting the Best Proposal

From among the proposers who met the minimum qualifications, the City would rate the proposers on certain specified criteria, and proposers would be ranked accordingly. The highest-rated company would then move on to Phase 3.

Phase 3: Contract Negotiation

The City would begin negotiations with the selected contractor, using the RFP's draft contract as a foundation. If the negotiation was successful, the contract would be signed, subject to the approval of the Board of Supervisors. If unsuccessful, negotiations would begin with the second-highest-rated proposer, based on the results of Phase 2.

Purchasing sent RFP packages to approximately 150 companies and received 3 responses. Of the responses, only one met the minimum qualifications, thus advancing to Phase 2. The proposal was found to have an acceptable rating, so in Phase 3 the City began negotiating with Pick Your Part. After several negotiation sessions over a period of one month, a contract was agreed to and signed by Pick Your Part and the City.

Because the contract involved the contractor's leasing Pier 70 land from the Port and leasing the 11th & Mission facility from the City (which in turn would lease it from the owner), the contract would generate revenue for the City. Such contracts must receive the approval of the Board of Supervisors. A resolution approving the contract was approved by the Finance Committee and then the full Board.

The contractor began performing early in FY 87-88.

5. Summary

Developing a long-term solution was not simply a contracting problem. It also required that Purchasing be extensively involved in real estate, city planning, environmental, legal, financial, and traffic operations issues. Coordination alone was a major task. The successful completion of the project was probably one of the most successful examples of team effort by many City departments.

I. Toxics

Line supervisors, including senior storekeepers, attended training programs conducted by the Department of Public Health. In addition, Stores continued to collect Material Safety Data Sheets (MSDS's) from vendors as required for purchases of certain materials.

J. Purchasing Department Budget

Appendix 1 is a summary of the department's budget for the year. The appendix is comprised of p. 388 of the Mayor's budget document for the year.

K. Procurement Statistics

The approximate volume of purchasing transactions processed by the Buying Division was:

Purchase Orders	\$ 53,700,000
Contract Orders	143,200,000
Term Purchase Agreements	<u>140,000,000</u>
Total	\$336,900,000

L. Management-by-Objectives Program

1. MBO Goals

The Management-by-Objective goals for the Buying Division are:

- a. Maintain operating costs at a level no greater than 0.5% of total dollar purchases.
- b. Execute 90% of all requisitions received which are properly funded and have proper specifications for materials, supplies and equipment into purchase orders within the budget year.
- c. Process 95% of all Direct Payment Vouchers and Voucher Payments to the Controller within 5 working days after receipt (except for documents found by the division to be improper or illegal and so would be returned to the originators).
- d. Process 90% of payments to vendors on Purchase Orders within 5 working days after receipt of proper invoicing from vendors and properly-prepared Material Received Record from departments.
- e. Conduct staff meetings for the division at least once per month.

2. MBO Performance

All the Division's MBO goals were met.

III. MBE/WBE/LBE Program

A. Background

In August 1984 the Board of Supervisors enacted Ordinance No. 139-84, with the goal of giving minority-owned, women-owned, and local businesses a more equitable opportunity to compete for City contracts. In a joint effort, the Human Rights Commission (HRC) and the Purchasing Department established the MBE/WBE/LBE Program, located in Purchasing. Purchasing also received initial financial support from the U.S. Department of Commerce's Minority Business Development Agency (MBDA).

B. Personnel and Functions

The unit consists of a Program Manager, a Purchaser, two compliance officers funded by HRC, and support. The Program Manager works with: the Buying Division within Purchasing; other Purchasing divisions; City departments; the federal government and other agencies; and private businesses. The Purchaser brings procurement expertise to the program, counsels businesses on how to do business with the City, and does outreach with departments and vendors.

The Unit is a key resource, enabling the department to increase its MBE/WBE/LBE purchasing levels.

C. Certification Program

The compliance officers manage the certification program, a program through which vendors certify that they qualify as bona fide minority, women, and local businesses. The certification program uses a comprehensive questionnaire which vendors must complete regarding their ownership and business location. During the first year (FY 84-85), approximately 600 MBE and WBE vendors, and approximately 200 LBE vendors (non-MBE and non-WBE), were certified by HRC. A periodic recertification program is planned which will help ensure that the vendor database is kept current as businesses are bought, sold, etc.

Certification and recertification require a continuous effort by HRC, and are critical to the success of the program.

D. Performance

Total procurements were as follows (purchase order data only):

Total purchasing	\$45,719,298	100.0%
MBE	5,093,517	11.1
WBE	1,733,836	3.7

E. Grant from Department of Commerce

The federal grant, which provided \$75,000 for 85-86, had been scheduled by the Department of Commerce to decline to \$50,000 for 86-87, but effort by the unit during this year to renew the grant led to continued funding of \$75,000 for the next year.

F. Management-by-Objectives Program

1. MBO Goals

The MBE/WBE/LBE Unit in Purchasing had the following MBO goals:

- a. Increase the number of certified MBE/WBE vendors by 425 over the current population.
- b. Accomplish the contract objectives presented to the U.S. Department of Commerce grant in a manner that assures eligibility for continuing federal funding.
- c. Sponsor or co-sponsor at least four major seminars on MBE/WBE participation for user departments and vendors.

2. MBO Performance

All of the unit's MBO goals were met.

IV. Central Shops

A. General

Central Shops provides the following services to the City:

- * Maintenance and repair services to all City departments except the Port, PUC, and the School District.
- * As part of the annual budget process, inspection and evaluation of the fleet, and recommendations for the replacement of vehicles in the fleet (primarily those vehicles assigned to General Fund departments).
- * Help to departments in determining vehicle specifications.
- * Operation of several City gas stations at Shops' main facility at 1800 Jerrold, at Rec and Park, at the DPW facility on Army Street, and for the Police Department at the Hall of Justice, Mission Station and Central Station.
- * Specialized maintenance of the drawbridges.
- * Fabrication of fire hoses and ladders.

Services are provided at 1800 Jerrold and at satellite facilities. Shops is organized into the: Automotive and Light Truck Shop; Heavy Truck and Equipment Shop; Fire Apparatus Shop; and Machine Shop.

Appendix 7 compares the size of the City's inventory of vehicles and equipment maintained by Central Shops, with the Shops' population of crafts workers who perform the maintenance, at various intervals from 1951-52 through 1986-87. From 1984-85 to 1986-87, the Shops population remained constant while the inventory of vehicles and equipment grew. Appendix 7 shows a larger inventory for two reasons: (1) some increase in the number of vehicles and equipment; (2) a more complete computerized inventory.

B. Creation of Fleet Administrator Class

Shops was seriously affected by the loss of the administrative analyst. Finding a qualified replacement was a challenge, due to the specialized nature of the position,

involving a combination of fleet management, vehicle purchasing, and computer system functions. It was determined that a new class, entitled Fleet Administrator, should be created. Purchasing worked closely with Civil Service to create the new class.

C. Toxics and Hazardous Materials

Shops was one of the first City departments to submit its Hazardous Materials Emergency Response Plan to DPH. All personnel were trained in the proper handling and disposal of hazardous materials and wastes.

DPH performed an inspection of Shops facilities and recommended corrections to procedures and equipment. Most problems were corrected, except for those requiring major expenditures. Two supplementals were requested and approved for these larger projects, and procurement began in the next fiscal year.

D. Report to the Mayor regarding Fleet Management

1. General

In February 1986, the Mayor asked the Chief Administrative Officer some general questions relating to how the City managed its vehicle fleet. After extensive research during the balance of that fiscal year, Purchasing submitted a detailed status report to the Mayor in July 1987. The Mayor's questions covered the following subjects:

- a. Review of existing policy on the use of City cars.
- b. Whether current policy is being enforced by specific departments.
- c. How many City cars are now in use.
- d. Departmental policies for deciding who uses cars.
- e. Suggestions on a more economical purchase program for new cars.

2. Recommendation

The report's primary recommendation was that should any significant changes to fleet management be contemplated, including implementation of previous proposals, additional research be performed. The report estimated that additional research would require one person working full-time on the

project. The research would involve analysis of vehicle allocation among departments and identifying space near City Hall for establishment of a vehicle pool. Both would be sensitive issues, requiring support from senior City management.

3. Specific Areas Reviewed

The report's method and findings are summarized to correspond to the questions raised by the Mayor.

a. Review of existing policy on the use of City cars

Purchasing reviewed the following items to determine the overall structure of the City's vehicle policy:

- Administrative Code sections.
- Regulations (none found).
- Policy Directives.
- Previous studies and proposals related to the vehicle fleet.

One finding was that parts of the Administrative Code allow the Purchaser to establish a vehicle pool for City departments. A study by the Budget Analyst also recommended such a pool, and Purchasing, in response to the study, made two proposals to the Board. One proposal would have established a vehicle pool for departments in Civic Center, and the second proposed a fleet management system, which was primarily an accounting system, for all City vehicles. The proposals were not adopted.

b. Whether current policy is being enforced by specific departments

Based on Purchasing's informal survey of departments, vehicle policy appear to be enforced. But this was an area where a separate study would be worthwhile

c. How many City cars are now in use

Purchasing identified approximately 1,350 passenger cars and 535 small pickup trucks in Central Shops' database of vehicle. Not all departments' vehicles are in the database, however.

d. Departmental policies for deciding who uses cars

Purchasing found no written policy in departments on who uses cars. The cars generally appeared to be available to anyone in a department needing one. The additional study recommended by the report could be useful in this area.

e. Suggestions on a more economical purchase program for new cars

Purchasing reported that the City buys its cars economically. The bidding procedure assures the lowest price.

The most important method of achieving a more economical system is to limit the size of the fleet. It is in this area that the recommended additional study would be critical.

4. Analysis of Previous Proposals

The final section of the report reviewed the proposal for establishment of a Civil Center vehicle pool. The pool would have been a useful prototype for a large City vehicle pool.

E. Statistics

1. Fuel Customers

Central Shops dispensed a total of 1,945,230 gallons of fuel at an average cost of 77¢ per gallon. Departments' expenses for fuel (gasoline, diesel, propane) were:

Public Works	\$ 497,067	33%
Police	557,304	37
Public Health	80,951	6
All others	<u>354,444</u>	<u>24</u>
Total	\$1,489,766	100%

2. Maintenance and Repair Customers

Departments' expenses for maintenance and repair are shown below. These amounts include specialized services such as outfitting of new vehicles.

Public Works	\$2,597,790	35%
Fire	1,696,208	23
Police	1,425,003	19
Rec and Park	837,356	11
Public Health	337,763	5
All others	<u>485,798</u>	<u>7</u>
Total	\$7,379,918	100%

3. Vehicle Outfitting

Included in item 2's total maintenance and repair expenses is vehicle outfitting. Major customers were:

Fire	\$124,128	41%
Police	128,965	42
Emergency vehicles	46,902	15
New fleet vehicles	<u>7,181</u>	<u>2</u>
Total	\$307,176	100%

4. Vehicle Replacement

Central Shops bought 65 new vehicles to replace units in the City's fleet no longer suitable for service. This represents a replacement rate of 11%, which is below the fleet industry's recommended rate of 15% (replacing the entire fleet every seven years). The new vehicles cost \$621,272.

5. Labor Rate

Central Shops' average labor rate this year was \$36.67 per hour, slightly more than one-half of what car dealers charged.

G. Management-by-Objectives Program

1. MBO Goals

Central Shops' MBO goals were:

- a. Throughout the year, have an average of no more than 5% of police vehicles out of service for preventive maintenance or mechanical repairs.
- b. Throughout the year, the average out-of-service time for police vehicles or preventative maintenance or mechanical repairs will not exceed four working days.
- c. Throughout the year, have an average of no more than 5% of the general purpose autos and light trucks out of service for preventive maintenance or mechanical repairs.

- d. Throughout the year, the average out-of-service time for general purpose autos and light trucks for related to preventive maintenance and repair will not exceed five working days.

2. MBO Performance

All of Central Shops' goals were met.

V. Stores and Equipment Division

A. Services Provided by the Division

1. General

The Stores and Equipment Division is responsible for the physical distribution of materials, supplies and equipment purchased for City departments. This responsibility consists primarily of operating storerooms, selling or otherwise disposing of surplus goods, and maintaining a perpetual inventory of equipment. The Division employs a staff of 96, consisting mainly of storekeepers and inventory clerks. The Division is headed by an Assistant Director of Purchasing and the Stores and Equipment Supervisor, with administrative offices located at the Central Warehouse.

2. Stores Section

The Stores and Equipment Division operates 24 central storerooms and warehouse through its Stores Section. Storerooms and warehouses, though the majority as located in San Francisco, are spread as far as the Hetch Hetchy Storeroom in Tuolumne County, the Sunol Storeroom in Alameda County, and the Millbrae Storeroom in San Mateo County. They serve City departments by providing a central location where goods routinely consumed are received and stored as inventory. The storerooms also serve as collection points for gathering surplus goods before they are turned in to the Sales Section for disposal.

3. Surplus Disposal Section

a. General

The disposal of the City's surplus goods is the responsibility of the Surplus Disposal Section. Surplus materials, supplies, and equipment are those items which City departments have turned in to the Purchaser because they are no longer needed or they have been replaced by new equipment. The Section determines whether to reissue the item to another City department or to sell it to the general public.

b. Reissues

Surplus equipment available for reissue to City departments is collected and held at the Central Warehouse until issued. Reissued equipment is especially useful to those City departments that, for various reasons, do not have sufficient funds to purchased the required equipment new.

c. Sales

Surplus materials, supplies and equipment can be sold in one of three different ways. First, they may be sold through the use of term contracts. Recyclable paper, oil and metals are examples of items sold through term contracts. Second, they may be sold by the Section's requesting sealed bids. Old cars, motorcycles and trucks are sold via sealed bid. Third, they may be sold through the flea market, operated in the division's U.S. Steel Building warehouse. Items such as old file cabinets, typewriters, hospital kitchenwares, and office fixtures are common items available from the flea market.

4. Perpetual Equipment Inventory Section

The Purchaser's Perpetual Equipment Inventory is maintained by the Equipment Inventory Section. This section maintains an inventory comprised of all equipment which, over the years, has been purchased through City budgets or donated from private sources. Currently, inventories equipment consists of items valued at more than \$400 and having a useful life of three years or more.

5. Other Services

The Division also provides pickup and delivery services and storage facilities to City departments. Departments such as the Public Administrator, DPH, DPW, CAO, Mayor's Office of Emergency Services, and the Fire Department store surplus property, records, and supplies at Central Warehouse. As an adjunct to surplus disposal activities, the Division often provides pickup and delivery services. These services are especially helpful to those departments which have no means of moving surplus items for disposal or reissued to them.

B. Closure of the U.S. Steel Building

Stores had used part of the U.S. Steel Building for storage of surplus property and for its Flea Market operations for several years. The building was turned over to Muni, however, during the year for use as a maintenance facility. The surplus property function was moved to the Central Warehouse, and used vehicles were moved to Central Shops.

C. New Parts Storekeeper Classification

A major accomplishment for the program during the year was the creation of a new series of Parts Storekeeper classes for the Municipal Railway. These new classes were geared to the specific materials and supplies requirements of the Muni's vehicle

maintenance operations, with the goal of an improved level of stores service.

D. Toxic and Hazardous Materials

A Hazard Communication Program for stores employees was developed, in compliance with worker right-to-know requirements. All personnel were trained in the proper handling and disposal of hazardous materials. In addition, Stores developed and maintained a large database of Material Data Safety Sheets (MSDS's).

E. Performance Data

1. Sales

Sales of surplus City property generated \$386,356 during the year. Appendix 2 shows sales from 79-80 through 86-87 and what proportions were generated through Closed Bids, Term Contracts and the Flea Market.

2. Storeroom Inventories

The value of storeroom inventories from 82-83 through 86-87, both totalled and by department, is shown on Appendix 4. Total inventories increased by a fraction of 1% from 85-86. Appendix 3 shows 86-87 year-end inventories by department.

F. Management-by-Objectives Program

1. MBO Goals

The Division's MBO goals are as follows:

- a. Generate revenue of \$300,000 from sales of surplus property.
- b. Fill 95% of requisitions for inventory items within 2 working days.
- c. Issue 95% of inventory decals within two working days after receipt of purchase orders and vehicles.
- d. Submit 95% of DMV documents within three working days after receipt of purchase orders and vehicles.

2. MBO Performance

All of the Division's MBO goals were met.

VI. Miscellaneous Services

A. Reproduction Bureau

1. Introduction

The Reproduction Bureau, located in the basement of City Hall, provides a wide range of graphics service to City Hall, Civic Center, and outlying departments. Available services include:

- High-speed copying on Kodak and IBM copiers.
- Copying of longer runs on four offset presses. The presses are used for annual reports, forms, stationery and newsletters.
- Binding, using collators, a paper cutter, folder, stitcher, drill, and GBC and Velobind units.
- Photography, including on-site photography, photo printing in color or B&W, simple typesetting, and graphic design.

2. Production

Total production during the year was 21,000,000 impressions, of which about one-third was produced by the photocopiers and two-thirds by the offset presses. By contrast, total production for 85-86 was 14,000,000.

Departments which began to make significantly heavier use of the Bureau's services included San Francisco General Hospital, Rec and Park, Public Health, and County Clerk.

3. Survey

The Bureau conducted a Customer Satisfaction Survey of its customers, which showed that City departments in general are satisfied with the level of service. In addition, a majority of respondents reported that the serviced had improved from a year ago.

4. Management-by-Objectives Program

a. MBO Goals

The Bureau's MBO goal was: Complete 75% of all departmental requests for services within 3 working days of receipt.

b. MBO Performance

The Bureau's MBO goal was met.

B. Mailroom

1. Introduction

The City Hall Mailroom provides the following services:

- Special handling of large-volume first class and bulk rate mailings, including labeling, folding, inserting, and sorting by ZIP code.
- Interdepartmental mail services for City Hall departments, and box service for outside departments.
- Special mail services including Certified, Express Mail, private express delivery services, UPS pickup and billing, and courier service to Controller's Payroll office at 160 South Van Ness.

2. Automation

The Mailroom purchased an automated postage meter accounting system, which captured postage costs directly on-line. This eliminated the need for staff to record and report the data manually, at a significant staff time savings.

3. Management-by-Objectives Program

a. MBO Goals

The Mailroom's MBO goals were:

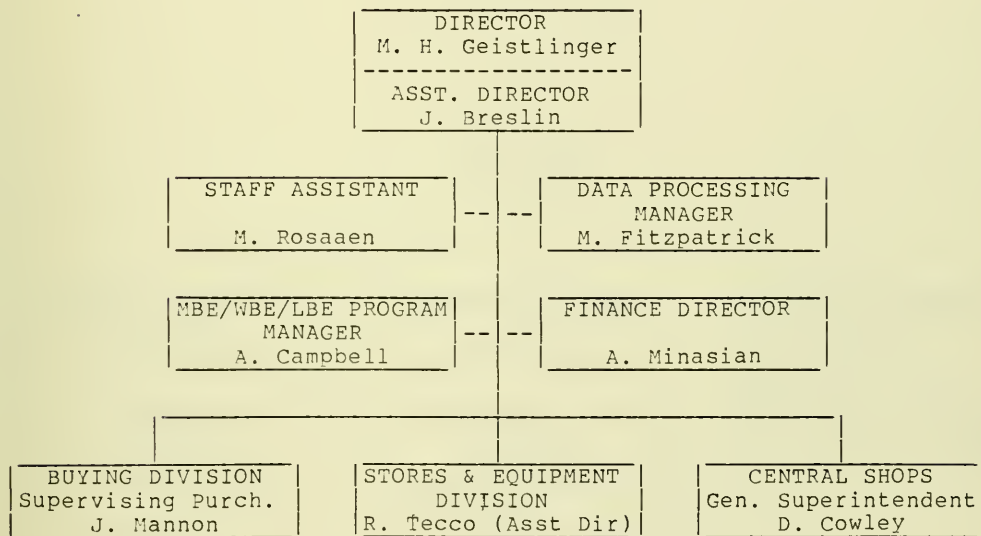
- (1) Correctly meter and distribute (to the correct department, the Postal Service, or other carrier) 99% of the mail picked up before 5 p.m. that day.
- (2) Pick up, sort and deliver 99% of all City Hall interdepartmental mail within one working day.

b. MBO Performance

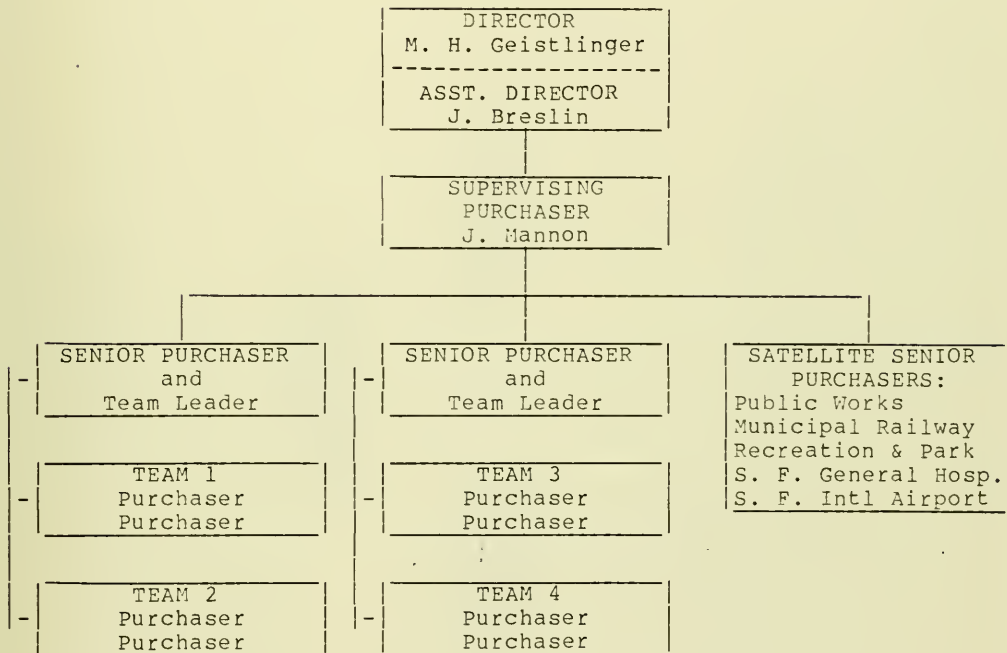
All of the Mailroom's MBO goals were met.

VII. Organization Charts

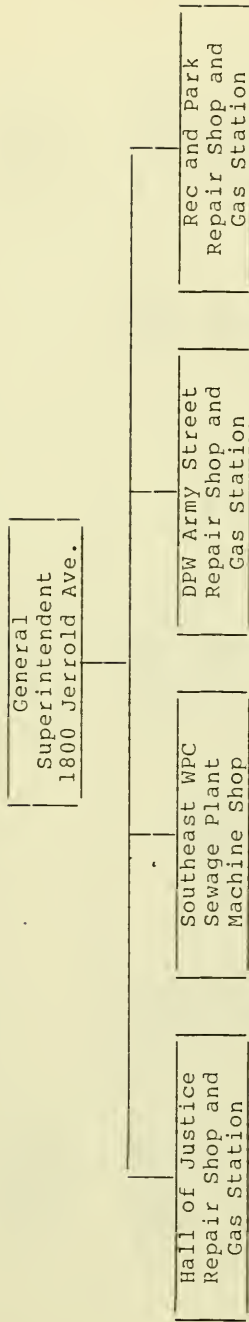
A. Management and Division Heads



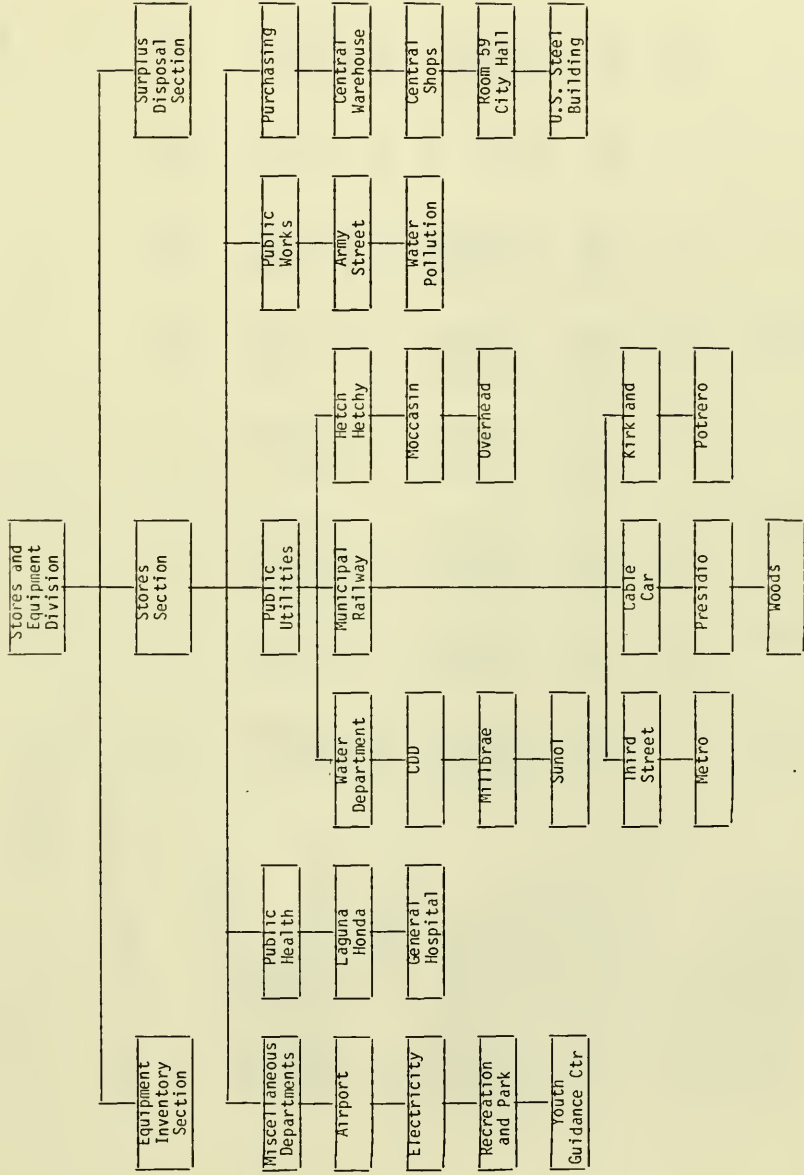
B. Buying Division



C. Central Shops



D. Stores and Equipment Division



Purchasing Department Annual Report, FY 86-87 November 1, 1987

Appendix 1

Purchasing Budget Summary, 1986-87

388

388

MU-BUDGET REPORT 100-C RUN: 08/18/05 CITY AND COUNTY OF SAN FRANCISCO DEPT: 91 PURCHASER
DATE: 05/09/87 FISCAL YEAR 1906-87 DEPT PAGE: 1

***** SUMMARY BUDGET *****

NSA: 95 GENERAL ADMINISTRATION & FINANCE G

DEPARTMENT: 91 PURCHASER

	1984-85	1985-86	1985-86	SIX	MAJOR'S	COST OF	REAL
	PYA	CYO	CYR	HQS	(UNSTAND)	STAND)	INCREASE

DEPARTMENT EXPENDITURE SUMMARY:

REPRODUCTION SERVICES	6,922	0	119,098-	189,010	0	0	119,098
PURCHASING SERVICES	1,275,796	1,528,524	1,600,066	559,037	1,747,695	1,832,616	147,629
CITY AUTO PURCHASES	609,445	747,700	855,397	2,241	635,545	635,545	0
CITY MAIL SERVICES	170,152	236,675	236,675	293,051	229,324	240,628	7,551-
STORAGE & WAREHOUSING	1,728,415	2,381,675	2,601,411	1,122,009	2,385,020	2,508,992	123,972
EMERGENCY VEHICLE & EQUIPMENT REPA	322,445	21,000-	4,109,105-	1,295,206	0	0	4,109,105
GENERAL PURPOSE VEHICLE & EQUIP RE	966,836-	14,000-	5,596,798	277,506-	0	0	5,596,798-
PURCHASER MANAGEMENT	354,838	600,493	936,124	200,934	501,088	528,617	435,136-
TOTAL DEPARTMENT	3,692,377	5,460,267	7,598,568	3,384,782	5,498,672	5,746,798	2,099,896-

TOTAL DEPARTMENT

----- C A T E G O R I E S -----

LABOR COSTS	8,019,095	9,743,775	10,649,727	4,501,926	10,149,145	10,645,501	320,582-
OPERATIONAL SERVICES	0	18,000	18,000	0	18,000	18,000	0
CONTRACTUAL SERVICES	1,146,650	1,315,383	2,710,004	606,508	1,610,349	1,610,349	1,107,735-
OTHER CURRENT EXPENDITURES	1,809,218	2,033,170	4,595,058	925,712	1,941,731	1,941,731	2,597,327-
EQUIPMENT/CAPITAL OUTLAY	812,086	947,736	1,057,410	8,367	898,395	898,395	0
SERVICES OF OTHER DEPARTMENTS	270,068	163,489	171,409	43,648	146,997	147,797	159,016-
RECOVERIES	8,355,708-	8,759,094-	11,375,200-	2,781,379-	9,265,945-	9,654,975-	24,492-
TOTAL DEPARTMENT	3,692,377	5,460,267	7,598,568	3,384,782	5,498,672	5,746,798	2,099,896-

DEPARTMENT REVENUE SUMMARY:

GENERAL FUND REVENUES - CREDITED TO DEPT	270,545	450,675	450,675	219,600	450,675	450,675	0
GENERAL FUND UNALLOCATED	1,827,537	2,854,677	4,993,503	2,268,165	2,865,703	3,016,340	2,107,800-
TOTAL DEPARTMENT	2,098,082	3,305,352	5,444,178	2,487,765	3,316,378	3,467,015	2,107,800-

DEPARTMENT CAPITAL EXPENDITURE SUMMARY:

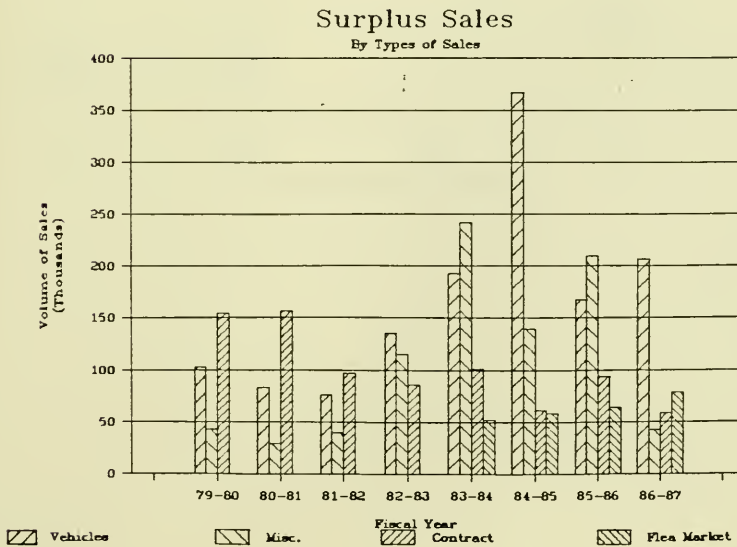
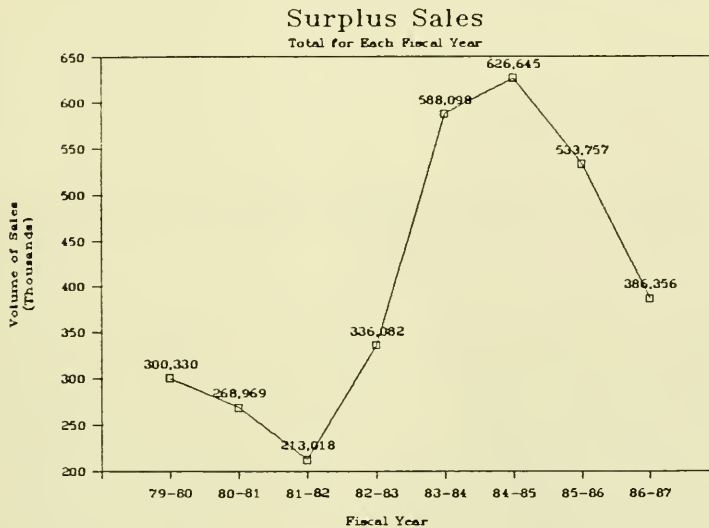
GENERAL FUND FH/CIP	28,773	205,000	19,575	0	44,840	44,040	0
SPECIAL FUND FH/CIP	0	35,000	35,000	0	0	0	0
TOTAL DEPARTMENT	28,773	240,000	54,575	0	44,840	44,040	0

DEPARTMENT EMPLOYMENT SUMMARY:

AUTHORIZED POSITIONS:	124	124	132	129	136	136	3-
PERMANENT POSITIONS	136	135	141	136	136	136	5-
INTERCEPT WORK ORDER POSITIONS	259	259	273	265	265	265	8-
TOTAL BUDGETED	259	259	273	265	265	265	8-
TOTAL DEPARTMENT	259	259	273	265	265	265	8-

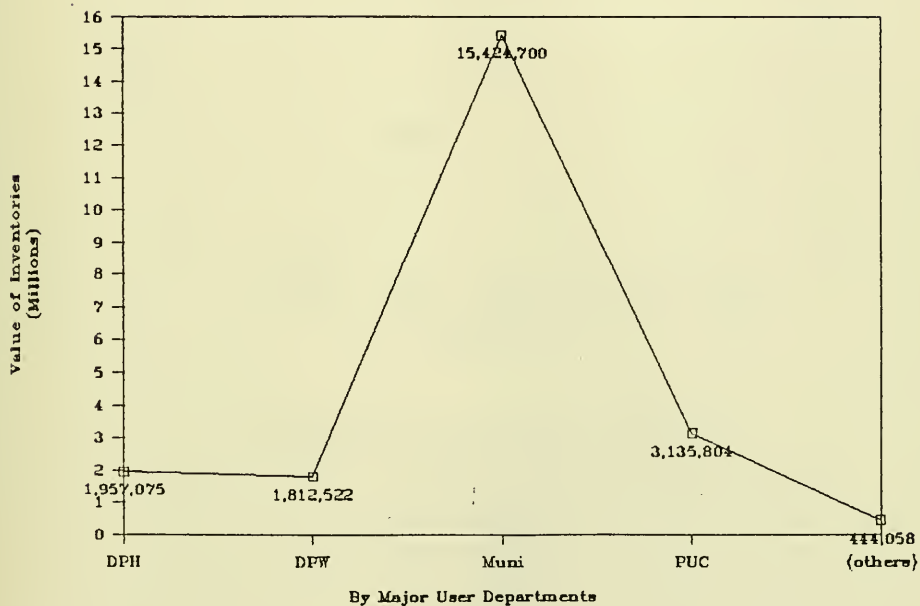
Appendix 2

Surplus Sales Data, 1979-80 through 1986-87



Appendix 3

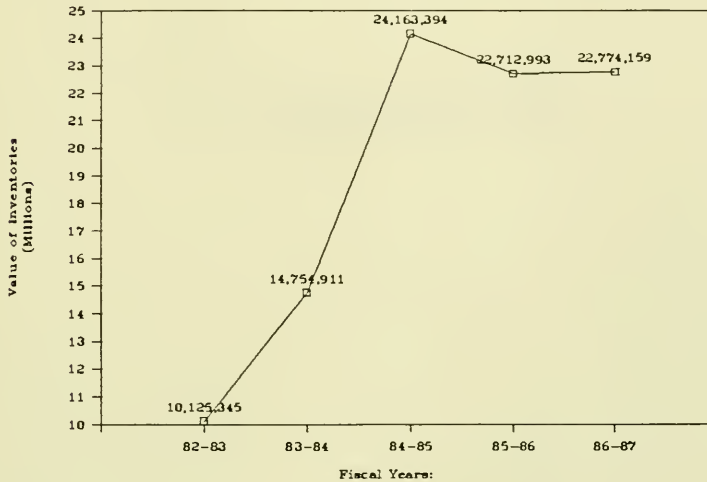
Year-End Inventories, FY 86-87



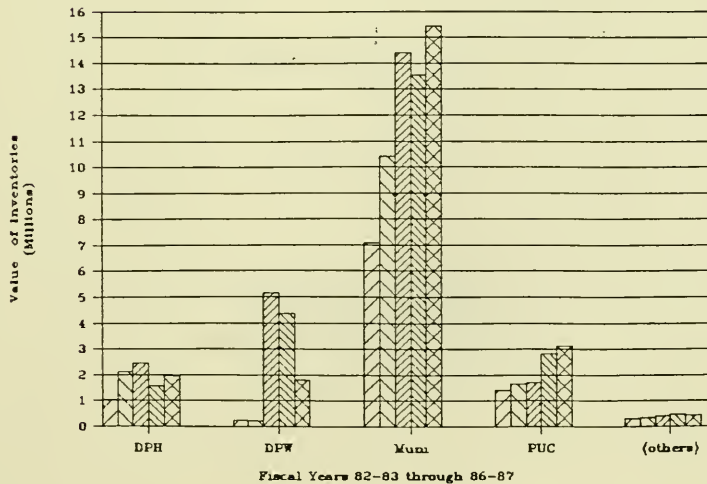
Appendix 4

Storeroom Inventories, 1982-83 through 1986-87

Total Value of Storeroom Inventories



Comparison of Inventory Values



SF
P90
#1
1987-88
c2

-SF
= Purchasing Department Annual Report
FY 87-88 =

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City Hall, Room 270
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October 30, 1988

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I. Introduction

A. Background on the Purchasing Department

The Purchasing Department is established by the City Charter. In Section 7.100, the Charter gives the department the responsibility to bid and award procurement contracts; to maintain central storerooms and warehouses; to operate garages and shops for repair of City vehicles and equipment; and for disposition of property no longer needed by a particular department by transferring the property to another department or by selling it if no other department can use it. From this statutory charge the Purchasing Department has developed its basic organizational structure: Administration; Buying Division; Central Shops; Stores and Equipment Division. Included within the Administration are the City Hall Mail and Reproduction Services, established as economical services for City departments located in the Civic Center area.

B. Overview of FY 87-88

This year saw progress in many areas. Modernization of the department, a historical need which began being addressed in recent years, continued to be the major focus of departmental planning. Along with efforts to improve operations, the department also managed complex contracting issues and accommodated legislative changes.

Significant events for the Administration and Buying Division included:

- implemented buying teams in the main office.
- established on-site purchasers at S.F. General Hospital under the location's senior purchaser, and a senior purchaser position at the Department of Public Works' Southeast Sewage Treatment Plant.
- passage of Charter amendment related to prompt payment of invoices.
- issuance of signature authorization regulations.
- successful implementation of new towing contract, new stationery contract, and new forms contract.
- development and promulgation of Divestment Ordinance Regulations.
- continued the trend of rapid increase in demand for Mailroom and Reproduction services.

Among the accomplishments of the Central Shops were:

- made substantial progress toward bringing all shops into compliance with toxics and hazardous materials handling laws, and state and local safety laws.

- established a new Fleet Administrator class and position in the Central Shops budget.
- developed preventive maintenance programs for Police, Fire, Public Works and general purpose vehicles.
- developed several new performance indicators for measuring fleet performance and Central Shops efficiency.
- Started first phase of \$1 million Earthquake Preparedness program.

Accomplishments of the Stores and Equipment Division included:

- Implemented disciplinary action and employee recognition program.
- Developed and submitted to Civil Service Commission job specifications for all storekeeping series classifications, and assisted Civil Service in developing and conducting exams for most storekeeping series classifications.
- Eliminated surplus materials and supplies at several major storerooms.
- Regarding hazardous materials:
 - eliminated 150 stocked materials from all storerooms.
 - acquired complete set of updated Material Safety Data Sheets (MSDS's) for entire inventory.
 - assisted the Department of Public Health in developing training program specifically for stores personnel.

In Data Processing and office automation:

- Installed new Wang VS System, in conjunction with the office of the Clerk of the Board.
- Developed and implemented Document Tracking System.
- Began training in purchase procedures for user departments.
- Established a Controller's fund accountant unit in Purchasing to streamline processing time.

For the MBE/WBE program:

- Hired a new purchaser to work directly with the Buying Division to assist in the identification and development of new MBE/WBE vendors to bid on City business.

II. Administration and the Buying Division

The Buying Division and the Administration part of the department are discussed together because many of the management and operational issues which involve the Administration are related to the procurement functions of the Buying Division. Management's introduction of the team concept was determined to be the most effective approach to begin problem-solving at all levels of the department while keeping the organization as responsive as possible to requestors' needs.

A. Mission, Goals and Objectives of the Buying Division

1. Mission

The overall mission of the Purchasing Department's Buying Division is to acquire materials and service for all City departments within specified standards of quality, timeliness of purchase, efficiency and accountability. The latter term encompasses, among other standards, compliance with all applicable Federal, California, and San Francisco statutes and regulations.

2. Goals

To implement the mission of the department, general goals are set:

- a. Document and formalize internal and external policies and procedures to promote a well-run and productive buying division.
- b. Develop standards and objectives that will allow the Buying Division to process requisitions and contracts more efficiently in accordance with sound business practices.
- c. Develop sound business and personnel relationships with other City department personnel to assist in meeting requesting departments' needs; and dedicating the Division to providing the highest possible level of service to the departments.
- d. Continue to develop a sound program for the acquisition of goods and services from minority, women, and local businesses.
- e. Assist in developing and implementing an automated procurement program to better serve the overall interests of the City and to improve buyers' productivity.
- f. Continue to review all policies, procedures, goals and objectives on an on-going basis to enable the Division to be on the leading edge of the purchasing profession.

3. Objectives

The Division's objectives, in turn, put the goals into practice in terms of specific tasks, which can either be on-going or have definite

completion milestones. The objectives are often part of the Division's operating plan (see next section).

B. Operating Plan

Operating plans are used as a standard management tool in the department. Each Division develops its own plan. The plans' formulation process involves the following steps:

1. At the beginning of the planning period, management establishes overall goals or objectives for the entire organization. These overall objectives are then translated into action plans for every manager in the organization so that each has clear, unambiguous objectives for his or her particular area of responsibility-- objectives which are in keeping with the overall organizational objectives.
2. An organizational structure consistent with and capable of achieving these objectives must be established. Whereas objectives represent the "end," organization represents the "means" or the vehicle by which the objectives will be achieved.
3. Position descriptions which clearly define the responsibilities of each individual in the organizational structure must then be developed.
4. The next phase involved establishing performance standards to guide and direct each individual's activities. These performance standards must be supportive of and consistent with functional areas and overall objectives.

C. Decentralization

Through the end of FY 86-87, Purchasing had assigned senior purchasers to the following departments: the Airport; Public Utilities Commission (Municipal Railway); S.F. General Hospital; Recreation and Park; and Department of Public Works. In FY 87-88, a senior purchaser was assigned to DPW's Clean Water Program, a purchaser was added to the Purchasing group at Muni, and two purchasers were added to the Purchasing group at the Hospital.

D. Buying Teams

The concept of buying teams was implemented during the year. The final step was the installation of new modular furniture, which geographically accommodated the teams. Four teams were established, each with two purchasers and two clerical support personnel, supervised by one Senior Purchaser. Two teams report to each Senior Purchaser. Purchasers within each team provide coverage during absences and review each other's work as appropriate.

E. Interface Procedures

Interface Procedures have been signed between Purchasing and most of the departments with satellite purchasers. The procedures delineate lines of authority, matrix management reporting relationships, and other matters. This year, a new agreement was signed with Public Works.

F. Signature Authorization Regulations

In February 1988, after approval by the Chief Administrative Officer and the Controller, the Purchaser issued regulations which authorized the purchaser, senior purchaser, supervising purchaser and assistant director positions within the Purchasing Department to sign contracts and other documents. Signature authority limits correlate to dollar level and complexity of transactions.

With these regulations in place, the approval process for contracts, purchase orders, and other documents is proceeding more quickly, particularly for documents processed by senior buyers in satellite locations. In addition, there is more accountability and buyer interaction is enhanced via requirements that buyers co-sign certain types of orders.

G. Data Processing

1. Tracking System and Training Sessions

The department's long-term data processing goal is a procurement system. The short-term goal, now realized, is a tracking system which monitors the progress of the purchasing documents which go through Central Purchasing.

Design and testing of the tracking system took place in 86-87. Full system production began in July 1987. After the system had been in production for several months, Purchasing's Data Processing Manager conducted orientation workshops for City departments to acquaint them with the system's capabilities as well as its limitations.

Sample reports were distributed to attendees, who were asked which reports they would be interested in seeing, usually on a monthly or semi-monthly basis. Report distribution procedures were developed, and departmental reaction has been very positive to this new information capability from Purchasing. Historically, any document status information could be obtained only by having someone in Purchasing manually locate the document. With the tracking system, these manual searches are reduced to a minimum.

At the workshops, the Data Processing Manager noted that the tracking system is not a prototype of the eventual procurement system. It is, rather, a short-term solution to Purchasing's and departments' information needs.

2. Procurement System

The data processing team continued its work on an initial requirements analysis for the automated procurement system. The analysis was almost complete at the end of the fiscal year. The department will focus on finding a package solution and testing a public domain system from the State of Missouri.

3. Office Automation Project

More workstations were added to the office, increasing employees' access to word and data processing. Personal computers were added for various applications, including spreadsheets, database management, etc.

H. Prompt Payment Legislation; Charter Amendment

Purchasing, the CAO's Office, and the Controller's Office worked throughout the year on options related to prompt payment, which is the general goal of being able to pay invoices more quickly. Early in the year, legislation was introduced which would have established schedules for the several City departments involved in processing purchase order invoices. The chronology is as follows:

- (1) Vendor sends invoice to Purchasing. Purchasing matches invoice to the Material Received Report (MRR) for the shipment. The MRR is a form generated from the requisition.
- (2) If MRR has not yet been received from a department, Purchasing requests it.
- (3) MRR is received and matched to invoice. Purchasing checks that pricing on the invoice matches the MRR. If all is in order, the package is approved for payment and sent to the Controller.
- (4) The Controller audits the package and, if it is in order for payment, produces a warrant and mails it to the vendor.

The draft legislation allowed each office a specified time limit in which to perform its part of the process. If a department exceeded its time, penalties were possible.

A review of the draft legislation estimated that penalties could be substantial. In response, the three offices requested the author of the legislation to sponsor a Charter amendment which would allow the Controller and Purchaser to develop procedures to streamline the payment process. A goal was to eliminate the requirement that Purchasing approve invoices. This requirement is unusual in procurement processes in private industry and elsewhere, and because the Controller performs the same review Purchasing does, it creates duplication of effort with little attendant benefit.

The Charter amendment, which was Prop. I on the June 1988 ballot, was passed with a 75% Yes vote. The amendment and ballot arguments appear as Appendix 1 to this report. It allows Purchasing and the Controller to develop procedures regarding invoice payment. The offices will review possible procedures in the new year to implement the Charter change.

I. Finance

Significant effort during the year was devoted to preparing the budget for the next fiscal year, 88-89. The City's budget problems worsened during the fiscal year, until in February 1988 the Mayor announced the City was facing a projected \$187 million deficit for FY 88-89. The budget Purchasing had submitted to the Mayor's Office in February 1988 showed a decrease of 10% in general funding, and one of 14% in personnel.

Purchasing submitted a revised budget, showing a total of 13 positions cut from general funding, or 20% of the general-funded workforce. Some layoffs were avoided by reassigning positions from the general fund to work-order funding, and most positions eliminated were vacant.

The main office was heaviest hit by the budget cuts, losing eight positions. The administrative support staff was reorganized substantially in order to adapt to the reduced staffing level.

User-department funding for Central Shops, Reproduction and Mail was increased slightly.

J. Office Environment

Remodelling of the office began during the year with the purchase of a panel component furniture system. This substantially increased the space efficiency of the office, and facilitated the implementation of the buying teams.

K. South Africa Divestment Ordinance

Purchasing continued to fulfill its responsibilities under the South Africa Divestment Ordinance. In January 1988, Regulations were issued covering the procurement process. Draft Regulations had been issued during the fall for comment, and a public hearing was held. Based on comments received, the Regulations were completed except for two subjects which were reserved. They covered standards for parents, subsidiaries, and other related companies, and standards for firms with South African associates.

A Management Information Systems Specialist was hired for a fixed term to analyze the database of vendor declarations and to design a database of transactions with Not-SAF companies. The latter database was designed, with implementation to occur during the next fiscal year.

L. Towing

The contract awarded in late 86-87 to a new contractor was performed successfully throughout the year. This was a significant change from previous years, when contractors often had difficulty fulfilling their contractual obligations. The new contract was a consolidated contract for all the City's towing needs, including towaway zone tows and abandoned vehicles.

M. Purchasing Statistics

The dollar volume of purchasing transactions processed by the Buying Division was approximately:

Purchase Orders	\$ 57,290,000
Contract Orders	140,000,000
Term Purchase Agreements	112,154,622
Total (approx.)	\$309,444,622

Several appendices to this report show characteristics of Purchasing's workload of purchase orders and TPA's:

- 2: Purchase orders processed: total amount spent in purchase orders, by requesting department.
- 3: Distribution of purchase orders by dollar range. This Appendix shows how many purchase orders Purchasing received within certain dollar ranges, and the total dollar amount of each range of purchase orders. One highlight of the Appendix is that while purchase orders below \$5,000 accounted for approximately 80% of all purchase orders, they comprised only about 25% of all dollars spent.
- 4 Purchase Orders and Term Purchase Agreements, by Purchasing Authority. Purchasing authority indicates how the vendor selection decision was made: by bidding the transaction; as an Open Market Purchase (below \$5,000); No Other Source; and others.

III. MBE/WBE/LBE Program

A. Background

In August 1984 the Board of Supervisors enacted the MBE/WBE/LBE Ordinance, with the goal of increasing City procurements from minority-owned, women-owned, and of compensating partially for the higher administrative costs of doing business in San Francisco. In a joint effort, the Human Rights Commission (HRC) and the Purchasing Department established the MBE/WBE/LBE Program, located in Purchasing. Purchasing also received initial financial support from the U.S. Department of Commerce's Minority Business Development Agency (MBDA).

B. Personnel and Functions

The unit consists of a Program Manager, a Senior Purchaser and support staff. The Program Manager works with: the Buying Division; other Purchasing divisions; City departments; the federal government and other agencies; and private businesses. The Purchaser brings procurement expertise to the program, counsels businesses on how to do business with the City, and does outreach with departments and vendors.

The Unit is a key resource, enabling the department to increase its MBE/WBE/LBE purchasing levels.

During the year, a Purchaser was added to the unit, facilitating coordination with the Buying Division and outreach efforts.

C. Certification Program

The Certification Program, which is managed by the Human Rights Commission (HRC), published an annual Directory of MBE/WBE businesses, and provided Purchasing with a monthly update of all certified firms.

D. Performance

Total procurements were as follows (purchase order data only):

Total purchasing	\$33,045,334	
Less waivers	671,744	
Total eligible dollars	32,373,590	100.0%
MBE	3,238,600	10.0%
WBE	1,629,999	5.0%

E. Accomplishments

This year, a Purchaser was added to the unit to work directly with the Buying Division. The Purchaser concentrated on assisting purchasers and senior purchasers to identify and develop new MBE/WBE vendors to bid on City contracts. Procurement goals for buyers were developed. In conjunction with

the tracking system, reporting and monitoring procedures to measure goal achievement were developed. The unit also developed written policies and procedures for the unit's operations as a whole. These procedures will become part of the Procurement Manual.

F. Grant from Department of Commerce

The Department of Commerce ended its grant to San Francisco which supported the program. Purchasing was able to obtain general fund support for the program in the budget process, so end of the grant did not affect the department's efforts.

IV. Central Shops

A. General

Central Shops provides the following services to the City:

- * Maintenance and repair services to all City departments except the Port, PUC, and the School District.
- * As part of the annual budget process, inspection and evaluation of the fleet, and recommendations for the replacement of vehicles in the fleet (primarily those vehicles assigned to General Fund departments).
- * Help to departments in determining vehicle specifications.
- * Operation of several City gas stations at Shops' main facility at 1800 Jerrold, at Rec and Park, at the DPW facility on Army Street, and for the Police Department at the Hall of Justice, Mission Station and Central Station.
- * Specialized maintenance of the drawbridges.
- * Fabrication of fire hoses and ladders.

Services are provided at 1800 Jerrold and at satellite facilities. Shops is organized into the: Automotive and Light Truck Shop; Heavy Truck and Equipment Shop; Fire Apparatus Shop; and Machine Shop.

Central Shops employs a staff of 109, consisting primarily of automotive craft workers. Services are funded through revenue generated by individual job orders. At the end of FY 87-88, Central Shops had serviced over 25,000 vehicles.

Appendix 5 compares the size of the City's inventory of vehicles and equipment maintained by Central Shops, with the Shops' population of crafts workers who perform the maintenance, at various intervals from 1951-52 through 1987-88. From 1984-85 to 1987-88, the Shops population remained constant while the inventory of vehicles and equipment grew. Appendix 6 shows a larger inventory for two reasons: (1) some increase in the number of vehicles and equipment; (2) a more complete computerized inventory.

B. Automation

Further progress on the automated fleet maintenance system was deferred pending the creation of a Fleet Administrator position. That position was created during the year, and work on the system will begin when the position is filled.

C. Fleet Maintenance

Preventive maintenance programs were developed for Police, Fire, DPW and general purpose vehicles.

The division developed several new performance indicators for measuring fleet performance and Central Shops efficiency.

D. Safety Program

Central Shops made major progress in correcting industrial safety problems which were noted by DPH early in the year. All significant problems had been solved, leaving only minor matters unfinished.

The \$1 million Earthquake Preparedness program encompassed the fabrication of high-pressure hydrants, Gleeson valves and accessories, all of which would be used to fight fires in the event of an earthquake or other disaster.

E. Toxics

The Division made major progress in bringing the shops into compliance with toxic and hazardous materials handling laws. All storage equipment was received and almost all items have been installed.

All personnel received training in hazardous materials handling procedures.

F. Statistics

1. Fuel Customers

Central Shops dispensed a total of 1,976,856 gallons of fuel at an average cost of 88¢ per gallon. Departments' expenses for fuel (gasoline, diesel, propane) were:

Public Works	\$ 551,077	32%
Police	664,161	38
Public Health	103,712	6
All others	<u>428,720</u>	<u>24</u>
Total	\$1,747,670	100%

A chart of this data appears as Appendix 6.

2. Maintenance and Repair Customers

Departments' expenses for maintenance and repair are shown below.
These amounts include specialized services such as outfitting of new vehicles.

Public Works	\$2,675,128	33%
Fire	1,675,570	21
Police	1,851,608	23
Rec and Park	855,863	10
Public Health	353,582	4
All others	<u>699,067</u>	<u>9</u>
Total	\$8,111,118	100%

3. Vehicle Outfitting

Included in item 2's total maintenance and repair expenses is vehicle outfitting. Major customers were:

Fire	\$ 4,221
Police	295,751
Emergency vehicles	6,106
New fleet vehicles	<u>3,109</u>
Total	\$220,187

4. Vehicle Replacement

Central Shops bought 58 new vehicles to replace units in the City's fleet no longer suitable for service. This represents a replacement rate of 9.6%, which is below the fleet industry's recommended rate of 15% (replacing the entire fleet every seven years). The new vehicles cost \$604,761.

5. Labor Rate

Central Shops' average labor rate this year was \$38.32 per hour, slightly more than one-half of what car dealers charged.

V. Stores and Equipment Division

A. Services Provided by the Division

1. General

The Stores and Equipment Division is responsible for the physical distribution of materials, supplies and equipment purchased for City departments. This responsibility consists primarily of operating storerooms, selling or otherwise disposing of surplus goods, and maintaining a perpetual inventory of equipment. The Division employs a staff of 96, consisting mainly of storekeepers and inventory clerks. The Division is headed by an Assistant Director of Purchasing and the Stores and Equipment Supervisor, with administrative offices located at the Central Warehouse.

2. Stores Section

The Stores and Equipment Division operates 24 central storerooms and the warehouse through its Stores Section. Storerooms and warehouses, though the majority as located in San Francisco, are spread as far as the Hetch Hetchy Storeroom in Tuolumne County, the Sunol Storeroom in Alameda County, and the Millbrae Storeroom in San Mateo County. They serve City departments by providing a central location where goods routinely consumed are received and stored as inventory. The storerooms also serve as collection points for gathering surplus goods before they are turned in to the Sales Section for disposal.

3. Surplus Property Section

a. General

The disposal of the City's surplus property is the responsibility of the Surplus Disposal Section. Surplus materials, supplies, and equipment are those items which City departments have turned in to Purchasing because they are no longer needed or they have been replaced by new equipment. The Section determines whether to reissue the item to another City department or to sell it to the general public.

b. Reissues

Surplus equipment available for reissue to City departments is collected and held at the Central Warehouse until issued. Reissued equipment is especially useful to those City departments that, for various reasons, do not have sufficient funds to purchase the required equipment new.

c. Sales

Surplus materials, supplies and equipment can be sold in one of three different ways. First, they may be sold through the use of term contracts. Recyclable paper, oil and metals are examples of items sold through term contracts. Second, they may be sold by the Section's requesting

sealed bids. Old cars, motorcycles and trucks are sold via sealed bid. Third, they may be sold through the flea market. Items such as old file cabinets, typewriters, hospital kitchenwares, and office fixtures are common items available from the flea market.

4. Perpetual Equipment Inventory Section

The City's Perpetual Equipment Inventory is maintained by the Equipment Inventory Section. This section maintains an inventory comprised of all equipment which, over the years, has been purchased through City budgets or donated from private sources. Currently, inventories equipment consists of items valued at more than \$400 and having a useful life of three years or more.

5. Other Services

The Division also provides pickup and delivery services and storage facilities to City departments. Departments such as the Public Administrator, DPH, DPW, CAO, Mayor's Office of Emergency Services, and the Fire Department store surplus property, records, and supplies at Central Warehouse. As an adjunct to surplus disposal activities, the Division provides limited pickup and delivery services. These services are especially helpful to those departments which have no means of moving surplus items for disposal or reissued to them.

B. Toxic and Hazardous Materials

-- Regarding hazardous materials:

- eliminated 150 stocked materials from all storerooms.
- acquired complete set of updated Material Safety Data Sheets (MSDS's) for entire inventory. This represented approximately 800 MSDS's
- assisted the Department of Public Health in developing training program specifically for stores personnel. 98.5% of Stores personnel were able to attend and complete the training.

C. Personnel

Developed and submitted to Civil Service Commission job specifications for all storekeeping series classifications, and assisted Civil Service in developing and conducting exams for most storekeeping series classifications.

D. Performance Data

1. Sales

Sales of surplus City property generated \$1,070,785 during the year. This was almost triple the revenue from the previous year. Appendix 7 shows sales from 80-81 through 87-88 and what proportions were generated through Closed Bids, Term Contracts, the Flea Market and Miscellaneous.

2. Storeroom Inventories

The value of storeroom inventories from 82-83 through 87-88, both totalled and by department, is shown on Appendix 7. Total inventories increased by approximately 19% from 86-87, due primarily to better capture of data.

E. Employee Recognition Program

As a prototype for the department, the Stores and Equipment Division instituted an employee recognition program. Committees composed of management and non-management personnel are charged with reviewing nominations and selecting one outstanding employee per division each year. Nominations may be made by anyone.

A historical problem with such programs has been the need for funds for an appropriate award. The CAO's office has lent its support to efforts to establish a recognition fund, and legislative action is expected in the next fiscal year. This will enable the department to present the employee with more than simply a letter of commendation.

VI. Miscellaneous Services

A. Reproduction Bureau

1. Introduction

The Reproduction Bureau, located in the basement of City Hall, provides a wide range of graphics service to City Hall, Civic Center, and outlying departments. Available services include:

- High-speed copying on Kodak copiers.
- Copying of longer runs on four offset presses. The presses are used for annual reports, forms, stationery and newsletters.
- Binding, using collators, a paper cutter, folder, stitcher, drill, and GBC and Velobind units.
- Photography, including on-site photography, photo printing in color or B&W, desktop publishing, and graphic design.

2. Production

Total production during the year was 30,000,000 impressions, of which about one-third was produced by the photocopiers and two-thirds by the offset presses. By contrast, total production for 86-87 was 23,000,000.

Departments which began to make significantly heavier use of the Bureau's services included San Francisco General Hospital, Rec and Park, Public Health, and County Clerk.

3. Data Processing

A job tracking system was implemented on a personal computer, which facilitated monitoring the progress of print jobs through the Bureau, including those sent to outside vendors.

B. Mailroom

1. Introduction

The City Hall Mailroom provides the following services:

- Special handling of large-volume first class and bulk rate mailings, including labeling folding, inserting, and sorting by ZIP code.
- Interdepartmental mail services for City Hall departments, and box service for outside departments.

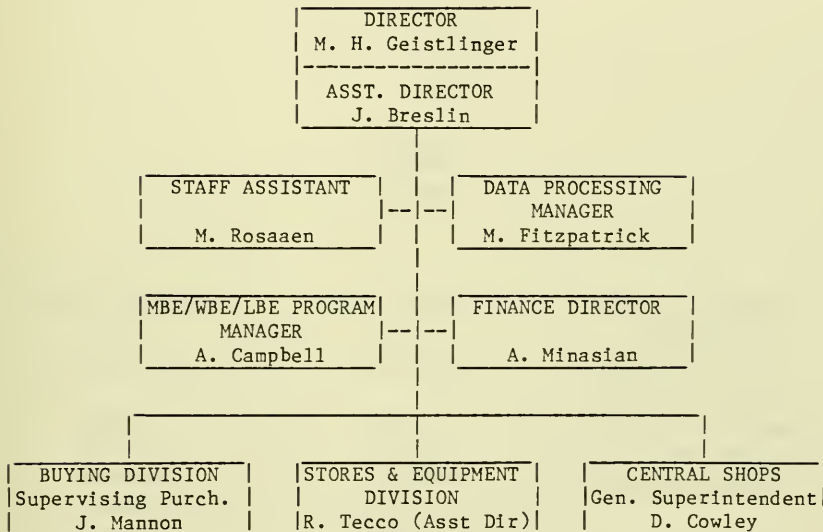
- Special mail services including Certified, Express Mail, private express delivery services, UPS pickup and billing, and courier service to Controller's Payroll office at 160 South Van Ness.

2. Data Processing

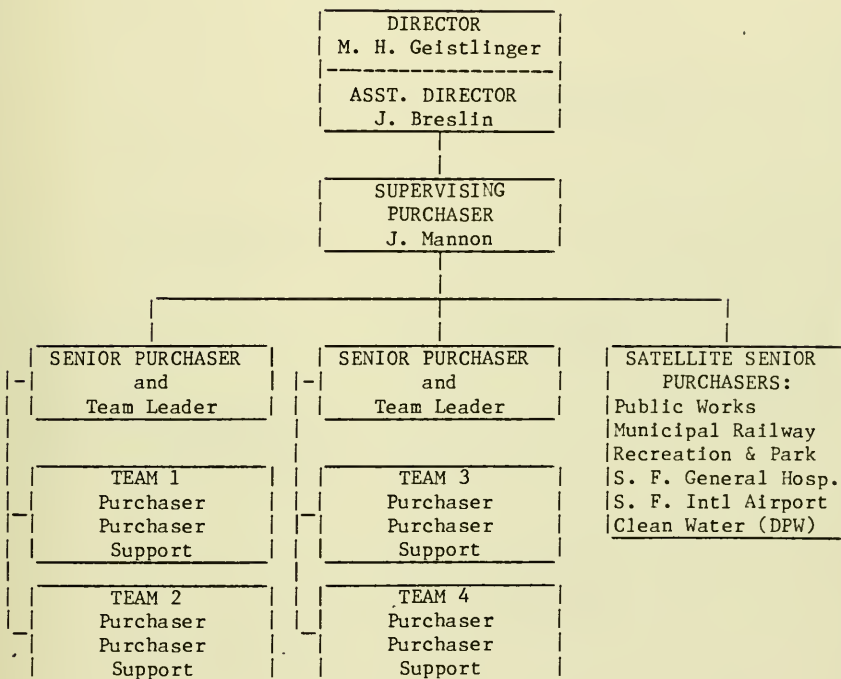
The Mailroom installed a new computer system system to capture postage meter data and debit departments' accounts. This represented a significant improvement over the previous system, which used a computer but still involved more manual recordkeeping than was desirable.

VII. Organization Charts

A. Management and Division Heads

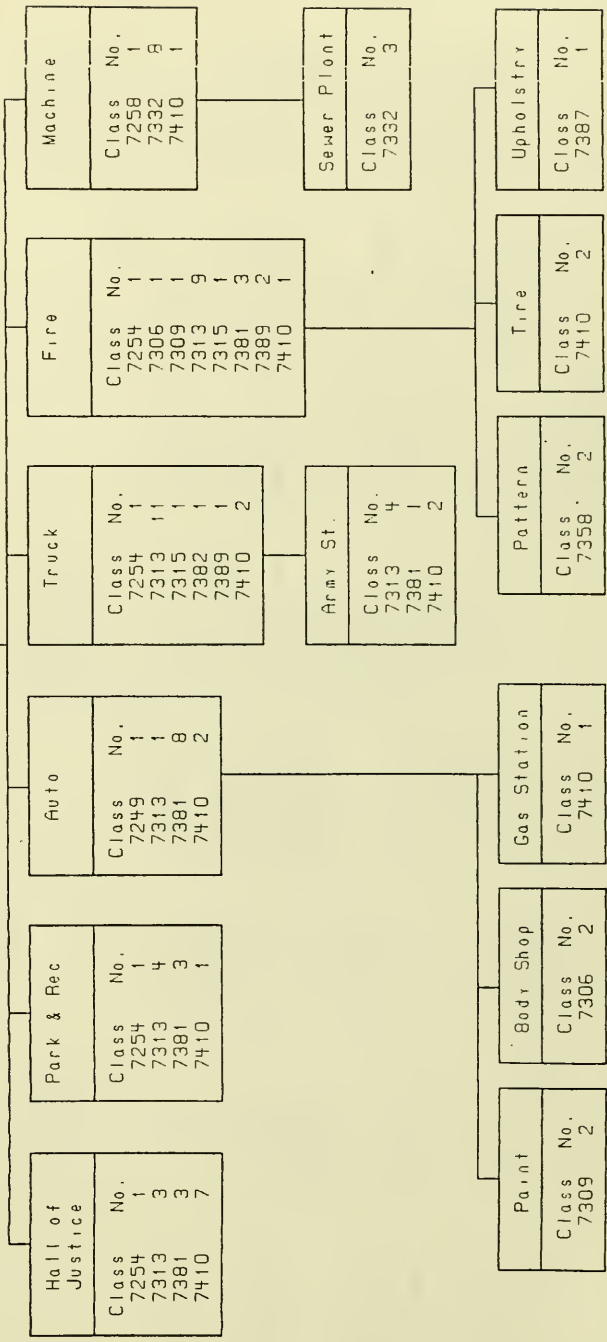


B. Buying Division



C. Central Shops

1424	Clerk Typist	7309	Car & Auto Painter
1630	Account Clerk	7313	Automotive Machinist
1632	Senior Account Clerk	7315	Automotive Machinist Assistant Sup
1826	City Shop Fleet Administrator	7332	Maintenance Machinist
1842	Management Assistant	7358	Pattern Maker
7150	City Shops General Superintendent	7381	Automotive Mechanic
7249	Automotive Mechanic Supervisor I	7382	Automotive Mechanic Assistant Sup
7254	Automotive Machinist Supervisor I	7387	Upholsterer
7258	Maintenance Machinist Supervisor I	7389	Metalsmith
7277	City Shops Assistant Superintendent	7410	Automotive Service Worker
7306	Automotive Body & Fender Worker		



D. Stores and Equipment Division

Stores & Equip Div
ROBERT TECCO Asst. Director

Systems/Audits	Operations	Clerical Support
1944 HENRY LEE 1926 WILLIAM WONG 1920 CHI TRAN	1940 KENNETH WILSON	1446 C. CORDERO

Utilities Strms
1938 JACQUEE BISHOP

Transportation Strms
1937 BILL THOMPSON

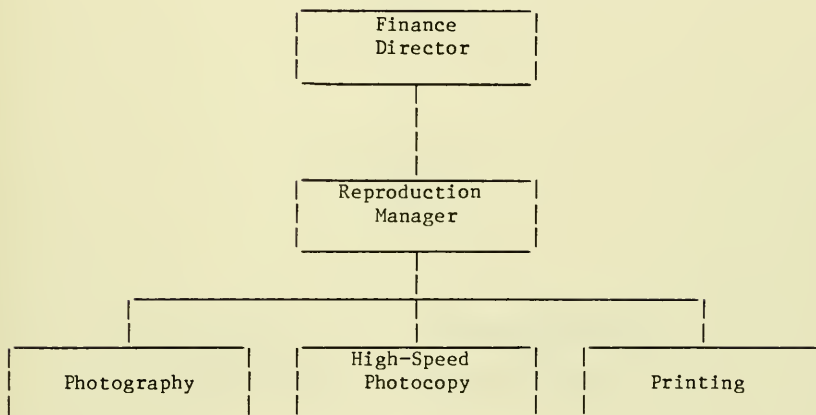
Gen Strm/Surolus
1936 JOE SANDOVAL

PUC/Water/CDD	DPW #PC	PUC/HH/Overhead	PUC/HH/Mocassin	PUC/Muni/Metro	PUC/Muni/Kodas	PUC/Muni/Potrero	DPH/LHH	DPH/SFGH	Purch/Cent Wrns
1936 RICH. GOROSTIZA 1934 CHARLIE BARNES 1934 HERB BUGGAGE 1934 JAMES COEN	1936 (vacant)*** 1934 DAN CONTRERAS 1934 C. INGRAM 1934 MARK KING 1934 SAMUEL SMITH 1920 EDITH MOORE	1936 TOM COLLINS 1934 WATT SCHAN 1934 A. SHIMER 1929 FRANK GRANGER 1929 GEORGE LEE 1929 WINTHROP LING 1929 JOHN O'BRIEN 1929 RAY STU	1936 TONY COLLINS 1934 WATT SCHAN 1934 A. SHIMER 1929 FRANK GRANGER 1929 GEORGE LEE 1929 WINTHROP LING 1929 JOHN O'BRIEN 1929 RAY STU	1936 CLARENCE LEWIS 1931 DANIEL CHEN 1929 FRANK GRANGER 1929 GEORGE LEE 1929 WINTHROP LING 1929 JOHN O'BRIEN 1929 RAY STU	1936 JEROME SIMPSON 1931 DAVID SULLIVAN 1929 AL DELUCA 1929 G. FITZGERALD 1929 LUKE HAYES 1929 C. HOCHSTATTER 1929 JOE SMITH 1929 DENNIS WALLO 1929 (vacant) 1934 GLADYS DEWITT 1934 IAE GULLORY 1934 R. LACASANA 1934 CHITO MAGNO	1931 JOHN HILL 1929 HAZEL JAMES 1934 CLINTON BROWN 1934 WILLIE WATSON 1931 T. PENDERGRASS 1934 CHING CHIN 1931 (vacant) 1936 O. SMITH 1929 SAMUEL SIMPSON 1934 PEDRO JOHNSON 1934 ROBERT WALTERS 1932 JOSEPH IRVING	1936 (vacant) 1934 I. ANTONIO 1934 G. RELAMPAGOS 1920 K. KAYWOOD 1934 V. RODRIGUEZ 1934 CEDRIC SMITH 1934 M. PAGSISTHAN 1934 V. RODRIGUEZ 1934 CEDRIC SMITH	1936 (vacant) 1934 DEMO CALCEDO 1934 ARNULFO COOUTA 1934 V. JENNINGS 1934 EDWARD MONTANO 1934 M. PAGSISTHAN 1934 V. RODRIGUEZ 1934 CEDRIC SMITH	1936 FRANK FALTA 1934 ELLIS BROWN 1934 JACK HUNNIN 1934 D. JACKSON

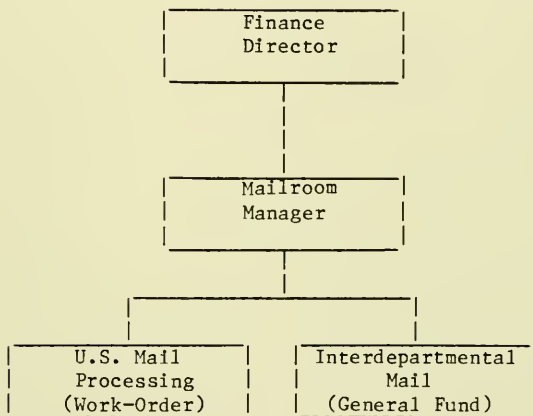
PUC/Water/Street	DPW/Arty Street	DPW/Electricity	PUC/Water/Surol
1936 MICHAEL FARHAN 1934 F. MISPEPOS	1936 R. GRIMES*	1936 MARY DOWLING 1934 B. ESPRITU 1934 MONDRAGON	1931 G. GRIFFIN* 1929 BOB SUGUTTAN*
1936 ANNETTE LOOSLI			

PUC/Muni/3rd Street	Rec Park	DPH/LHH	DPH/SFGH	Purch/Cent Wrns
1931 (vacant) 1936 O. SMITH 1929 SAMUEL SIMPSON 1934 PEDRO JOHNSON 1934 ROBERT WALTERS 1932 JOSEPH IRVING	1936 DANIEL WUI 1934 M. SORIANO	1936 (vacant) 1934 I. ANTONIO 1934 G. RELAMPAGOS 1920 K. KAYWOOD 1934 V. RODRIGUEZ 1934 CEDRIC SMITH 1934 M. PAGSISTHAN 1934 V. RODRIGUEZ 1934 CEDRIC SMITH	1936 (vacant) 1934 DEMO CALCEDO 1934 ARNULFO COOUTA 1934 V. JENNINGS 1934 EDWARD MONTANO 1934 M. PAGSISTHAN 1934 V. RODRIGUEZ 1934 CEDRIC SMITH	1936 FRANK FALTA 1934 ELLIS BROWN 1934 JACK HUNNIN 1934 D. JACKSON

E. Reproduction Bureau



F. City Hall Mailroom



Appendices

Appendix 1

Proposition I, June 1988 Election:
Charter Amendment Text and Ballot Arguments

Purchasing Procedures



PROPOSITION I

Shall the Purchaser and the Controller establish procedures for paying for goods and services bought by the City, and shall the Purchaser establish procedures for rejecting substandard goods and services?

YES 267 ➡
NO 268 ➡

Analysis

by Ballot Simplification Committee

THE WAY IT IS NOW: The Purchaser of Supplies for the City buys all materials, supplies and equipment necessary for the operation of City services. The Purchaser decides when supplies, equipment or materials do not meet necessary standards. All purchases require a written purchase order. The Purchaser must keep a record of all bids on City purchases permanently.

THE PROPOSAL: Proposition I is a charter amendment that would direct the Purchaser to develop new standards for judging when goods or services do not meet standards and should be rejected. The Purchaser, along with the Controller, would establish new procedures

for paying for materials, supplies, equipment or services purchased by the City. The proposal would allow the Purchaser to make purchases without a written order in an emergency. The Purchaser would not be required to keep a record of bids on City purchases permanently.

A "YES" VOTE MEANS: If you vote yes, you want the Purchaser and the Controller to establish new procedures for accepting and paying for goods and services by the City.

A "NO" VOTE MEANS: If you vote no, you want to keep current procedures for accepting and paying for goods and services by the City.

Controller's Statement on "I"

City Controller John C. Farrell has issued the following statement on the fiscal impact of Proposition I:

"Should the proposed Charter amendment be adopted, in my opinion, it would not, in and of itself, affect the cost of government."

How Supervisors Voted on "I"

On February 22, the Board of Supervisors voted 10-0 on the question of placing Proposition I on the ballot.

The Supervisors voted as follows:

YES: Supervisors Harry Britt, Jim Gonzalez, Richard Hongisto, Thomas Hsieh, Bill Maher, John Molinar, Wendy Nelder, Carol Ruth Silver, Nancy Walker and Doris Ward.

None of the Supervisors present voted no.

LEGAL TEXT OF PROPOSITION I IS ON PAGE 40



Purchasing Procedures

OFFICIAL ARGUMENT IN FAVOR OF PROPOSITION I

Vote YES on Proposition I

You have an opportunity to streamline how the City pays some of its bills.

Proposition I will define the City's payment policy in the Charter and require that day-to-day operating procedures be established at the administrative level. It will let the City adopt and implement modern payment procedures and take advantage of technology to speed the payment process. It will let the City be more responsive to vendors while maintaining administrative accountability.

As it stands now, the Charter spells out in great detail how payments to vendors are processed. It worked in 1932 when the process was manual but it's become a problem today as the City's needs have changed and grown. There is duplication of effort as well as inefficient and ineffective steps in this process. The results? Too

many payments are being delayed. Some vendors refuse to do business with the City. Others charge a premium, expecting that their payments will be delayed. Still others offer prompt payment discounts, but the City can't take advantage of them.

The answer? A YES vote on Proposition I will allow the Controller and Purchaser to establish payment procedures. Appropriate controls on payments will still be in place to ensure that no one is paid incorrectly, but the duplication of efforts required by the Charter will be eliminated.

Please vote YES on Prop. I to help reduce the costs, increase efficiency, and benefit the City's suppliers.

SUBMITTED BY THE BOARD OF SUPERVISORS

REBUTTAL TO OFFICIAL ARGUMENT IN FAVOR OF PROPOSITION I

TWO REASONS FOR DISTRUST:

City Hall wants more flexibility.

One reason to say no is **corruption**, found in every City Hall (example: the Commercial St. deal, where politicians gave millions in development rights to the Embarcadero/Rockefeller "family," apparently in trade for \$100,000 in campaign "donations.")

Another reason to distrust City Hall is **incompetence** (also found everywhere that politicians and bureaucrats are).

For example, see the "Official" Arguments under Prop. M (Olympics Human-Rights Waiver).

The "**Against**" argument is **missing**!

It seems the Supervisors and Mayor neglected to file the argument they'd promised. The deadline passed: nothing was submitted (and there was no procedure for others to find this out). So nothing was published.

The politicians who had recently legislated this procedure, couldn't follow **their own rules**.

It's not just politicians; it's bureaucrats, too.

Acting Registrar Michelle Corwin ruled the deadline could have no "flexibility" (though she granted a longer extension for Props. B and D).

BULLETIN: Same thing happened on Prop. B (Wage Freeze).

Corwin's improved procedures in some ways, but she's basically a "go-by-the-book." Common sense says voters want **and need** to see arguments favoring and opposing each proposition. Even if rules have to be bent. Even broken.

But Corwin isn't a "**public servant**."

She's a "**rules servant**."

She's better than most at City Hall. She seems halfway honest. And she's really trying to improve those rules she's slave to.

But common sense? Nope.

Trust City Hall more?

No way.

GRASSROOTS

Arlo Hale Smith, BART Director

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PAID ARGUMENTS IN FAVOR OF PROPOSITION I ARE ON PAGE 63

Purchasing Procedures



OFFICIAL ARGUMENT AGAINST PROPOSITION I

This measure's purpose is to reduce "red tape." There's nothing wrong with that. But we better make sure we don't reduce safeguards against corruption and abuse. And that's where Prop. I goes wrong.

This measure makes three "reforms" that would make it easier for City Hall officials to avoid necessary controls.

(1) It allows city purchasers greater flexibility in approving "emergency" expenditures without written purchase order or contract. It only takes two minutes to type up a purchase order; what's the hurry?

(2) It gives them greater flexibility in accepting (and authorizing payment for) goods or services that are substandard, defective or in violation of contract. Whether it's substandard pencils or substandard Muni brakes, do we really want such "flexibility?"

(3) It repeals the present requirement that they keep a writ-

ten record of bids received. Do you know the present City Purchaser well enough to trust him always to select the best bid? Do you know future City Purchasers that well?

It seems public officials are often asking for greater "flexibility." The Mayor would like blank-check approval to give City College's West Campus (Balboa "Reservoir"), more-or-less free, to a developer who'll make a multi-million-dollar profit. He'd also like blank-check approval to cut city employees' pay. And Quentin Kopp would like approval to waive anti-discrimination requirements in order to be able to invite the Olympics here.

The Supervisors tried to "lease" Commercial St. to the Embarcadero/Rockefeller "family," apparently in outright trade for over \$100,000 in campaign contributions. And they admit that the recent PG&E/Hetch Hetchy deal was an incredible rip-off.

ARE WE GETTING "HETCH-HETCHY-ED" AGAIN?

GRASSROOTS/ELECTION ACTION

REBUTTAL TO OFFICIAL ARGUMENT AGAINST PROPOSITION I

The argument against Prop. I misses the proposition's advantages and misunderstands how the City will gain from streamlining unnecessary—and expensive—procedural steps.

Most important, the City will pay some bills faster by eliminating duplication of effort. The City saves, and vendors save.

Emergency purchases are already covered in the Administrative Code. The Charter is unduly restrictive. If there's an emergency at midnight, we can't generate a purchase order immediately. That's the hurry.

We'll develop procedures covering whether to pay for goods which vary from a contract. Currently, if we order a blue chair, but the vendor sends a green chair for the same price and we prefer the green chair, we can't pay for it. We must cancel the transaction and start another—or send the chair back, which costs the City time and

vendors money. All unnecessarily. With new procedures, the City will continue to get its money's worth.

Regarding bids: the Administrative Code protects other City records, and the Charter change will mean that bids are handled the same way. The Code's requirements are already in place. Records are discarded only after clearance by appropriate City offices. Detailed procedures, such as record retention, should be governed by the Code, not the Charter.

Help the City run better. Help the City and vendors save money. Vote YES on Prompt Payment. Vote YES on Proposition I.

Endorsed by Mayor Art Agnos, Chief Administrative Officer Rudolf Nothenberg, and Purchaser M.H. Geistlinger.

SUBMITTED BY THE BOARD OF SUPERVISORS

Arguments printed on this page are the opinion of the authors and have not been checked for accuracy by any official agency.

**NO PAID ARGUMENTS WERE
SUBMITTED AGAINST PROPOSITION I**

TEXT OF PROPOSED CHARTER AMENDMENT PROPOSITION I

NOTE: Additions or substitutions are indicated by bold face type; deletions are indicated by strike-out type.

7.100 Materials, Supplies, and Equipment and Services

The purchaser of supplies shall purchase all materials, supplies and equipment of every kind and nature, and enter into agreements for all contractual services required by the several departments and offices of the city and county, except as in this section otherwise provided. Purchases of books, magazines and periodicals for the library departments, works of art for museums and other articles or things of unusual character as to the purchasing thereof, may, on the recommendation of a department head and the approval of the purchaser, be purchased directly by said department head.

Purchases for construction operations, or for any operations conducted outside the boundaries of the city and county may, on the recommendation of the department head in charge thereof and the approval of the purchaser of supplies, be made by the department head. All such purchases made by officials of departments other than the purchasing department shall be made in accordance with regulations established by the purchaser of supplies. The purchaser of supplies shall have authority to exchange used materials, supplies, and equipment to the advantage of the city and county, advertise for bids, and to sell personal property belonging to the city and county on the recommendation of a department head that such articles are unfit for use.

All purchases shall be by written purchase order or written contract except in case of emergency. All purchases in excess of one thousand dollars (\$1,000) shall be by written contract; provided, however, that on the recommendation of the department head, in case of an emergency actually existing, the purchaser of supplies, with the approval of the chief administrative officer may make such purchases in the open market on the basis of informal bids. At least three bids or quotations shall be secured on open market purchases and a permanent record of all such quotations shall be kept. All contracts and purchase orders in excess of fifty thousand dollars (\$50,000) for materials, supplies or equipment and all agreements for contractual services in excess of fifty thousand dollars (\$50,000) shall require the signature of the chief administrative officer in addition to the signature of the purchaser of supplies. Beginning with fiscal year 1987-88, the board of supervisors

shall be authorized to increase or decrease by ordinance the dollar amount of contracts requiring approval of the chief administrative officer under this section. The purchaser of supplies shall not enter into any contract or issue any purchase order unless the controller shall certify thereon that sufficient unencumbered balances are available in the proper fund to meet the payments under such purchase order or contract as these become due.

The purchaser of supplies shall establish specifications and tests to cover all recurring purchases of material, supplies and equipment. He shall, as far as is practicable, standardize materials, supplies and equipment according to the use to which they are to be put, when two or more types, brands or kinds are specified or requested by individual departments.

Purchases of equipment shall be made in accordance with specifications furnished by the department requiring such equipment in case the use of such equipment is peculiar to such department. For patented or proprietary articles sold by brand name, the purchaser may require each department requisitioning same by such brand name, to furnish specifications of the article requisitioned and may advertise for bids on the basis of such specifications, under conditions permitting manufacturers of or dealers in other articles made and sold for the same purpose to bid on such specifications or on the specifications of their own product. If the purchaser of supplies recommends the acceptance of the lowest or best bid, stating his reasons in writing therefor, and if the department head concerned recommends the acceptance of any other bid on such proprietary articles, stating his reasons in writing therefor, the award shall be determined by the controller.

The purchaser of supplies shall require departments to make adequate inspection of all purchases, and shall make such other inspections as he deems necessary. He shall direct the rejection of all develop standards for determining when articles or services which may be below standards, specifications or samples furnished should be rejected. He shall not approve any bill or voucher for articles not in conformity with specifications, or which are at variance with any contract.

He shall have charge of central storerooms and warehouses of the city and county. He shall also have charge of a central garage and shop for the repair of city and county equipment. All garages and shops heretofore maintained by departments for the construction, maintenance,

and repair of departmental supplies and equipment, and the personnel assigned thereto, excepting the shop and personnel for fire alarm, police telegraph and traffic signal manufacture and repair operated by the department of electricity, are hereby transferred to said central garage and shop.

He shall under the supervision of the controller, maintain an inventory of all materials, supplies and equipment purchased for and in use in all departments and offices of the city and county. He shall be responsible for the periodic check of such property, and in case of loss or damage deemed by him to be due to negligence, he shall report thereon to the mayor, the chief administrative officer and the controller. He shall have authority to require the transfer of surplus property in any department to stores or to other departments.

7.103 Requisition, Contract and Payment

All purchase orders and contracts shall be based on written requisitions, or, for materials or supplies in common use in the various departments, on the purchaser's records of average use by all departments. Purchase orders and contracts in excess of fifty thousand dollars (\$50,000) must be approved by the chief administrative officer. Beginning with fiscal year 1987-88, the board of supervisors shall be authorized to increase or decrease by ordinance the dollar amount of contracts requiring approval of the chief administrative officer under this section. The purchaser of supplies and controller shall establish procedures to approve all bills and vouchers for materials, supplies, equipment, and contractual services. All approvals required pursuant to such procedures must be obtained before the controller shall draw and approve warrants therefor. All contracts for the purchase of materials, supplies and equipment shall be made after inviting sealed bids by publication. All sealed bids received shall be kept on file. When an award of contract is made, notice that the same has been made shall be given by one publication, and any interested person may examine the bids and records at the purchaser's office.

The purchaser of supplies shall by rules and regulations, approved by the chief administrative officer and the controller, designate and authorize appropriate personnel within the purchasing department to exercise the purchaser's signature powers for purchase orders and contracts approved as provided in this charter. [1]

NEXT TIME YOU MOVE...
DON'T LEAVE YOUR VOTE BEHIND!
You must re-register to vote whenever you move.

Appendix 2

Purchase Orders by Department

	<u>Amount</u>	<u>Percent of Total Amount</u>	<u>Number</u>	<u>Percent of Total Number</u>
Public Works	\$11,400,000	19.9%	2,200	15.5%
S.F General Hospital	3,500,000	6.1	1,040	7.3
Municipal Railway	9,400,000	16.4	1,900	13.4
Water	5,200,000	9.1	750	5.3
PUC (excl. Muni, Water)	1,500,000	2.6	490	3.5
Community College	2,100,000	3.6	1,300	9.0
Recreation and Park	2,400,000	4.2	640	4.5
Airport	3,200,000	5.6	600	4.2
Other Departments	<u>18,600,000</u>	<u>32.5</u>	<u>5,300</u>	<u>37.3</u>
Total	\$57,300,000	100.0%	14,220	100.0%

Appendix 3

Purchase Orders: Number and
Total Amount by Dollar Range

	<u>Amount</u>	<u>Percent of Total Amount</u>	<u>Number</u>	<u>Percent of Total Number</u>
below \$500	\$ 1,300,000	2.3%	4,300	30.3%
\$ 500 to 1,000	2,100,000	3.7	3,100	21.8
1,000 to 2,500	5,000,000	8.8	3,200	22.6
2,500 to 5,000	5,700,000	10.0	1,600	7.0
5,000 to 10,000	7,000,000	12.2	1,000	7.0
10,000 to 25,000	9,500,000	16.6	630	4.4
25,000 to 50,000	7,700,000	13.4	230	1.5
over 50,000	<u>19,000,000</u>	<u>33.2</u>	<u>140</u>	<u>1.0</u>
Total	\$57,300,000	100.0%	14,200	100.0%

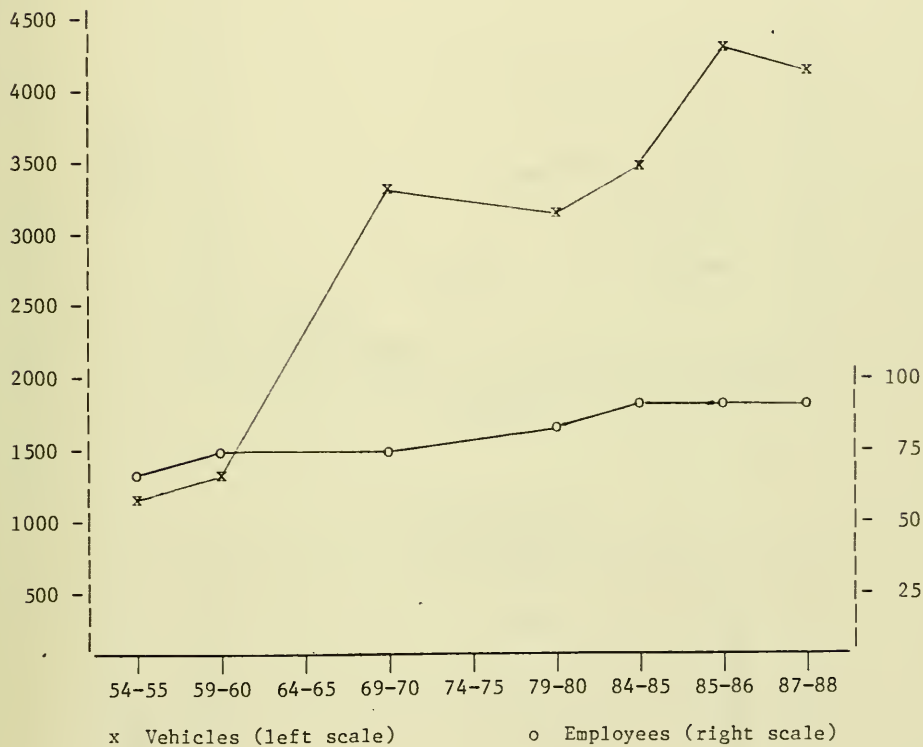
Appendix 4

Distribution of Purchase Orders and TPA's,
 by Purchasing Authority

	<u>Purchase Orders</u>		<u>Term Purchase Agreements</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Bids	\$33,000,000	57.6%	\$ 0	0 %
Term Contracts	6,600,000	11.6	43,304,175	38.6
Open Market Purchase	6,600,000	11.6	19,026,438	17.0
No Other Source	560,000	1.0	25,444,872	22.7
Special Services	230,000	0.4	4,078,340	3.6
Proprietary	7,000,000	12.2	17,075,448	15.2
Administrative Code	2,100,000	3.5	0	0
Other	<u>1,200,000</u>	<u>2.1</u>	<u>3,255,349</u>	<u>2.9</u>
Total	\$57,290,000	100.0%	\$112,154,622	100.0%

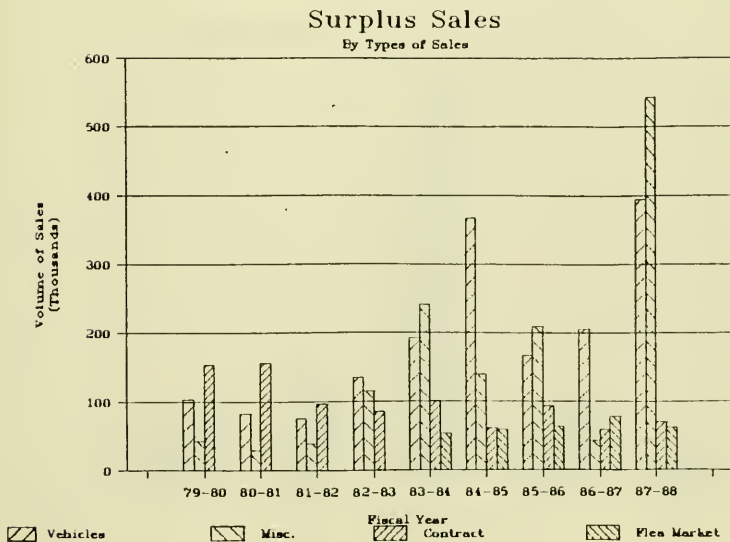
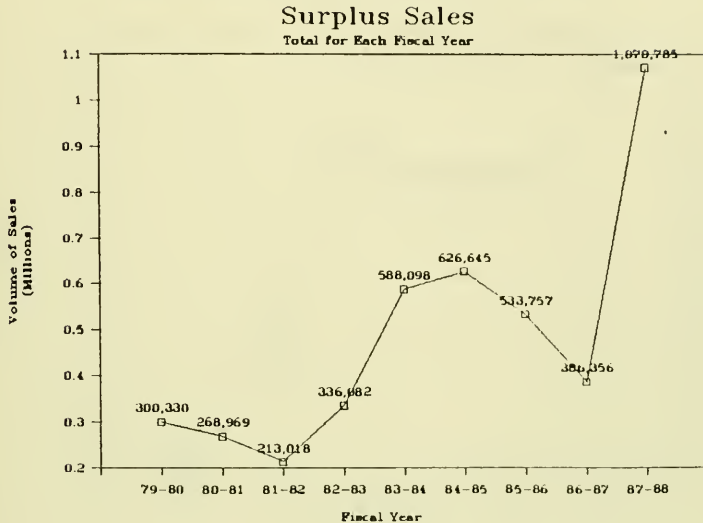
Appendix 5

Vehicle and Equipment Inventory v. Shops Population,
1951-52 to 1987-88



Appendix 6

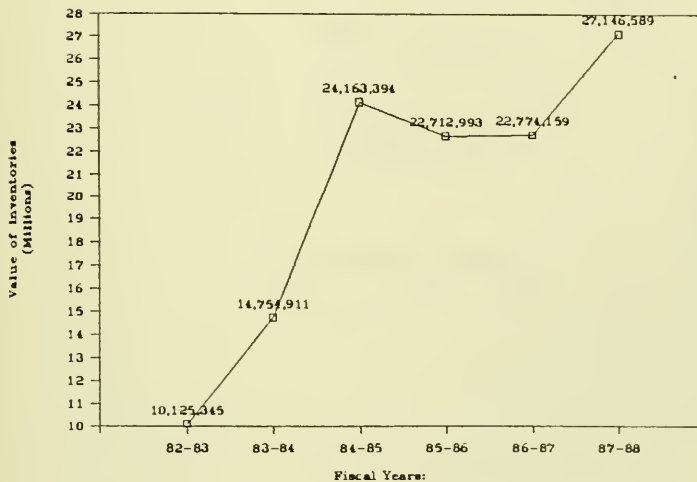
Surplus Sales Data, 1980-81 to 1987-88



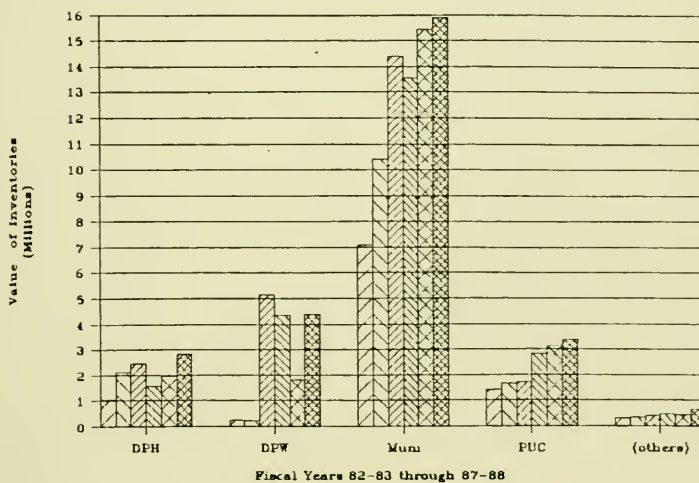
Appendix 7

Storeroom Inventories, 1982-83 to 1987-88

Total Value of Storeroom Inventories



Comparison of Inventory Values



SAN FRANCISCO
PURCHASING DEPARTMENT

ANNUAL REPORT

1988 – 1989

This report is missing

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Purchasing Department Annual Report
FY 89-90

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FY 90-91

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PURCHASING DEPARTMENT QUARTERLY REPORT
FY 89/90 4TH QUARTER
FY 89/90 YEAR-END REPORT

INTRODUCTION

This report presents, in narrative and graphical form, a perspective of the Purchasing Department's performance during the preceding quarter. It is divided into four sections, one for each of the department's four operating divisions:

- Procurement Services
- Storekeeping Services
- Central Shops
- Administrative Services

Each section of the report presents:

- a description of the division's major highlights and accomplishments of the preceding quarter;
- comments regarding the division's performance indicators for the quarter;
- graphs and tables of the performance indicators.

The performance indicators are quantitative measures of the department's workloads and performance in meeting those workloads. They are very useful for all employees in understanding where the department has opportunities to improve performance. Presented in the form of graphs and tables, they also illustrate the levels of improvement that the department achieves over time. The managers have established targets for many of the indicators, and they routinely monitor performance in relation to the targets.

Other than Purchasing Department employees, a broad audience for the quarterly reports is the departments that use the Purchasing Department's services. The reports also are reviewed by oversight bodies such as the CAO's Office and the Mayor's Office.

PROCUREMENT SERVICES

4th Quarter Highlights and Accomplishments

- Staff rotation

Several staff reassignments were implemented in the 4th quarter:

- John Tozer, formerly assigned to SFGH, was assigned full time as to the Automated Procurement System Project. Although this has entailed a reduction among the operational ranks, it is essential to provide liaison and support to the automation project.
- Rick Kimball, formerly at Rec/Park, was assigned to SFGH.
- Bernard Savant, formerly at the Airport, was assigned to Rec/Park.
- Bob Fleming, formerly at City Hall, was assigned to the Airport.
- Tony Fiore was appointed temporary Senior Purchaser at the PUC.

Such staff rotation is a prudent management practice, and facilitates checks and balances. It also is valuable for the procurement staff as a way to broaden their commodity experience and exposure to a wide variety of operations. Rotation of all procurement staff will be a regular practice during FY 90/91 and subsequent years. The primary focus during FY 90/91 will be on the central office staff.

- Year-end

The end of the year resulted in a substantial increase in purchasing activity in comparison to the first three quarters. The deadlines established by Purchasing and the Controller for the submission of requisitions helped us respond to the increased workload; however, in some cases it has been necessary for departments to request carryforward of equipment funds for use during the 1st quarter of FY 90/91. User department purchase planning vis-a-vis our own workload distribution through the year is an issue among our objectives for FY 90/91.

- Procurement System Project

The establishment of the new Citywide vendor database, originally scheduled for May, has been delayed to August, due to delays in hiring and coordination with the Controller's Office. The new database will be used by Purchasing, the Controller, and the Human Rights Commission.

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PROCUREMENT SERVICES

The \$240,000 request for supplemental appropriation, which we initiated during the 3rd quarter, was finally passed by the Board of Supervisors in May. This funding, in conjunction with the funding that has been included in the FY 90/91 budget, will support the implementation of the procurement system within the central office, and the beginning of implementation at satellite locations.

- Management Audit

A considerable amount of time was devoted during the 4th quarter to the management audit being conducted by the Board of Supervisors Budget Analyst. A draft report of the audit has not yet been received, and it is expected that management and staff will need to devote large amounts of time to the audit as it continues in FY 90/91.

- MBE/WBE participation

During the 4th quarter the MBE/WBE unit provided assistance to many current and prospective MBE/WBE vendors, including:

- Pyramid Business Systems
- General Supply
- Link International
- Theragen
- Master Miles Radiator
- Micro Images
- OHCS
- Integrated Business Solutions

Types of assistance provided included:

- clarifying City technical and commercial specifications and requirements;
- explaining bid evaluation procedures;
- reviewing past bid results;
- resolving issues regarding contract performance;
- referring vendors to user departments and HRC.

Technical assistance also was provided to City departments in a variety of areas. In most cases, it was to help the department with their outreach efforts by providing names of MBE/WBE firms in specific commodity areas.

PROCUREMENT SERVICES

For the Human Rights Commission, we reviewed a Citywide MBE/WBE activity report for accuracy of the data. At HRC's request, we also made comprehensive recommendations for improvements and changes to the language of the current MBE/WBE ordinance. Our comments addressed areas such as:

- guidelines for determining whether or not businesses are disadvantaged;
- inconsistencies in exemptions from preferences;
- measures of MBE/WBE procurement levels that would include awards to registered MBE/WBE vendors as well as certified vendors.

We continue to participate actively in the Bay Area Purchasing Council, especially for the purpose of promoting MBE/WBE procurement goals throughout the Bay area. During the 4th quarter, we submitted draft recommendations to the BAPC regarding the BAPC's options for certifying MBE/WBE vendors.

- Procedures development/training program/South Africa

Three sessions of the training program for Senior Purchasers and Purchasers were held in the 3rd quarter, coordinated by Marc Rosaaen. Topics covered included:

- insurance and bonding;
- principles of public purchasing;
- business practices, general and ethical;
- signature authority within the City and Purchasing;
- record retention;
- procurement system project and office automation;
- report writing, correspondence, and contract wording;
- writing an RFI and RFQ;
- developing a 4-part contract proposal.

Work was continued with the City Attorney's Office to revise a large set of contractual documents, such as model contracts and contractual forms used by all City departments.

An amendment to the South Africa ordinance was submitted by Supervisor Kennedy for consideration by the Board of Supervisors. Based on our experience with the original ordinance, we submitted comments on the amendment to the CAO's Office for inclusion in their response to Supervisor Kennedy. In our comments, we identified operational impacts of the proposed amendment, along with the staffing and funding needed to meet the increased workload. Committee action on the amendment is expected in July.

PROCUREMENT SERVICES

Along with the Tax Collector, we implemented procedures to deal with Business Tax renewals, which are the first renewals under the 1988 Business Tax legislation. Legislation is pending as part of the FY 90/91 budget process to extend the tax.

- Contracting highlights

- Negotiated procurements for articulated trolleys and LRV's -- Extensive work on the negotiated procurement of articulated trolleys for the Municipal Railway was conducted during the 4th quarter. A best and final offer was received in May, and a recommended award is expected to be submitted in 1st quarter FY 90/91. The value of this procurement is over \$20 million.

A negotiated procurement process also was commenced for LRV's for the Municipal Railway. The value of this procurement will be \$60-80 million.

Both of these procurements are very large projects, involving a large amount of time by staff located both at the PUC and central office. Our level of staffing to carry out routine procurement functions as well as address such large projects is an issue among our objectives for FY 90/91.

- Ambulances -- The ambulance procurement for the Department of Public Health is a major project, involving hundreds of hours of evaluation by Jim Breslin, Joe Mannon, Bill Jones, and Dave Cowley. The value of this procurement is expected to be in the range of \$500,000.
- Official Advertising -- As has been the case in the past, the award of this contract was somewhat sensitive and controversial. The contract involved many hours of work by Jim Breslin and Bill Jones, and provided a good introduction for Bill to the handling of sensitive contracts.

A portion of the Official Advertising contract was awarded to an MBE publication, the San Francisco Independent. This is the first time that an MBE firm was awarded a portion of the contract.

- Telecommunications -- During the 4th quarter, we worked closely with the Bureau of Telecommunications, the CAO's Office, and the City Attorney's Office regarding several telecommunications contracting issues. These include: contracting for maintenance of non-AT&T equipment and services at various locations throughout the City; contracting for financing of telecommunications equipment and services through AT&T; voice mail equipment/services.

PROCUREMENT SERVICES

Comments regarding Performance Indicators

- Purchase orders processed and average processing time

The following types of measures are presented in tabular and graphical form:

- a table showing percentage changes in purchase order volume (regular orders) for the following periods:
 - FY 89/90 4th quarter versus FY 88/89 4th quarter;
 - FY 89/90 total versus FY 88/89 total.
- graphs of FY 88/89 and FY 89/90 purchase order volume, plotted on the same scale for comparison purposes;
- graphs of two years of purchase order volume and processing time data, drawn from reports produced by the Document Tracking System;
- graphs of voucher payment and direct payment voucher data for the last two years (forthcoming).

The primary observation regarding FY 89/90's purchase order volume is that, although the total number of purchase orders was roughly the same as in FY 88/89, the volume during FY 89/90 fluctuated widely over the course of the year. In contrast, the workload volume in FY 88/89 showed a more uniform and consistent increase in volume from the beginning to the end of the year.

The 4th quarter, always the busiest of the year, was even more busy in FY 89/90 than before. April and May respectively had the 1st and 3rd highest purchase order volume of the last two years. Processing time for the 4th quarter was 17% higher than for the same period last year.

Processing time for the entire year was higher in FY 89/90 than in FY 88/89. Average processing time increased by 12% from FY 88/89 levels. The increase can be attributed to two factors:

- Fluctuation of the workload -- While the staffing level is constant, the incoming volume of orders varies by as much as 100% across months. The staffing level simply cannot process all the orders quickly during the high-volume months.
- Implementation of the Business Tax in October, 1988 -- The Business tax caused an abrupt increase in average processing time, estimated to be 2-3 days.

PURCHASING DEPARTMENT QUARTERLY REPORT
FY 89/90 4TH QUARTER
FY 89/90 YEAR-END REPORT

PROCUREMENT SERVICES

November of 1989 had the second-lowest purchase order volume of any month in the last two years, probably due to the earthquake. The earthquake-related ordering activity was handled via direct payment vouchers, not regular purchase orders. In effect, some of the regular purchasing activity may have been deferred from November to later in the year.

From a management planning perspective, the fundamental conclusion to be drawn from the volume and processing time statistics is that a major factor affecting the efficiency of the purchasing operation is the varying level of user department demand over the year. User department purchase planning vis-a-vis our own workload distribution through the year is an issue among our objectives for FY 90/91.

Highlights among the indicators are:

- Total orders during the FY 90/91 showed a 1% decrease from last year.
- Regular purchase orders during the 4th quarter increased by 12% from FY 88/89 4th quarter; purchase order volume in April and May was very high, April having the highest volume since the initiation of the Document Tracking System.
- Bid proposal volume increased by 36% in comparison to the 4th quarter of FY 88/89.
- Open market purchase volume increased by 33% in comparison to the 4th quarter of FY 88/89.
- Term contract document volume and quotation document volume both show significant decreases from FY 88/89 levels. Open market purchase and other (mostly proprietary) document volumes show increases from FY 88/89 levels.
- Average processing time increased by 12% from FY 88/89 levels.
- Processing time for term contract purchase orders decreased substantially during the 4th quarter in comparison to the 3rd quarter; nevertheless, processing time was still 27% higher than for the 4th quarter of FY 88/89.
- Processing time for all orders for the 4th quarter was 17% higher than for FY 88/89 4th quarter.

MBE/WBE procurement levels

During the 4th quarter, the MBE/WBE procurement levels were 19.4% and 7.3%, for purchase orders made to San Francisco-based firms only. Data from HRC and the Controller are not expected before September.

PROCUREMENT SERVICES

Year-end Report

Summary of progress against objectives for FY 89/90

- Automation -- Start implementation of the automated procurement system.

Phase II of the automated procurement system project was completed in November, 1989. This work culminated in the recommendation of the Missouri Automated Procurement System (MAPS) as the basis for a Citywide procurement system.

Phase III Development and Implementation began in the 3rd quarter, with the initial focus on establishment of the vendor and commodity databases. There has been some slippage of target dates, due to hiring delays and coordination with the Controller's Office.

Funding of the project has been approved through FY 90/91.

- Procedures development -- Continue preparation of the Procurement Manual.

Two installments of the Procurement Manual were completed and published during the year. Both the City Attorney's Office and user departments are involved in the development and review of the manual.

In addition, the first update to the user department manual was published, regarding professional services contracts.

An initial draft of the "How to do Business with the City" brochure was submitted to the Mayor's Affirmative Action Task Force for review. It was generally very well received.

- MBE/WBE participation -- Encourage and promote participation in City contracts by minority-owned and women-owned vendors, through a combination of vendor and user department outreach and bid preferences.

MBE procurement levels were in the range of 16-22% for the year, for purchase orders made to San Francisco-based firms only. WBE procurement levels were in the range of 5-7% for the year, with one quarter reaching 15%.

The department continues to participate actively in the Bay Area Purchasing Council, especially for the purpose of promoting MBE/WBE procurement goals throughout the Bay area.

PROCUREMENT SERVICES

Proposed objectives for FY 90/91

- Management audit -- Respond to findings and recommendations resulting from Budget Analyst management audit. It is expected that department management and staff, and possibly the CAO's Office, will need to devote large amounts of time to the audit as it continues in FY 90/91.
- Automation -- Complete implementation of the automated procurement system at the central office, and begin implementation of the system at satellite units.
- Procedures development -- Continue preparation of the Procurement Manual. Additional goals:
 - Publish further updates to the user department manual.
 - Publish the brochure "How to do Business with the City."
 - Work with City Attorney to review, update, and standardize more contracts and forms used by Purchasing and other City departments.
- MBE/WBE participation -- Encourage and promote participation in City contracts by minority-owned and women-owned vendors, through a combination of vendor and user department outreach and bid preferences. In particular, design and implement a buyer incentive program to encourage buyers to increase the level of MBE/WBE participation in the department's procurement activities.
- Workload distribution and smoothing -- Reduce the degree of purchasing workload concentration at the end of the fiscal year, and spread the workload out more evenly over the year, by:
 - encouraging user departments to plan and monitor their purchasing needs over the course of the year, so as to avoid submitting a barrage of requisitions at the end;
 - informing user departments early in the year of specific deadlines for submitting requisitions, by type of commodity;
 - enforcing deadlines as much as possible.

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PROCUREMENT SERVICES

- Buyer training -- Continue the program of biweekly training sessions for the buying staff.
- User department training -- Conduct training for user department staff on purchasing policies and procedures, with special emphasis on purchase planning.
- Staffing issues -- Continue to seek resources, either from within the department's current budget, additional general-fund support, and user departments, for increased staffing for special contracts and middle management support.
- Consolidating contracts -- Continue to direct existing staff and focus additional staff as available on the consolidation of contracts Citywide.

TOTAL ACROSS BOTH REGULAR AND EMER

% CHANGE		% CHANGE
4TH QTR 89 TO	4TH QTR 90	12 MOS 89 TO
		12 MOS 90

TOTAL PROCESSED

Number processed	3%	-1%
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Average processing time	17%	12%
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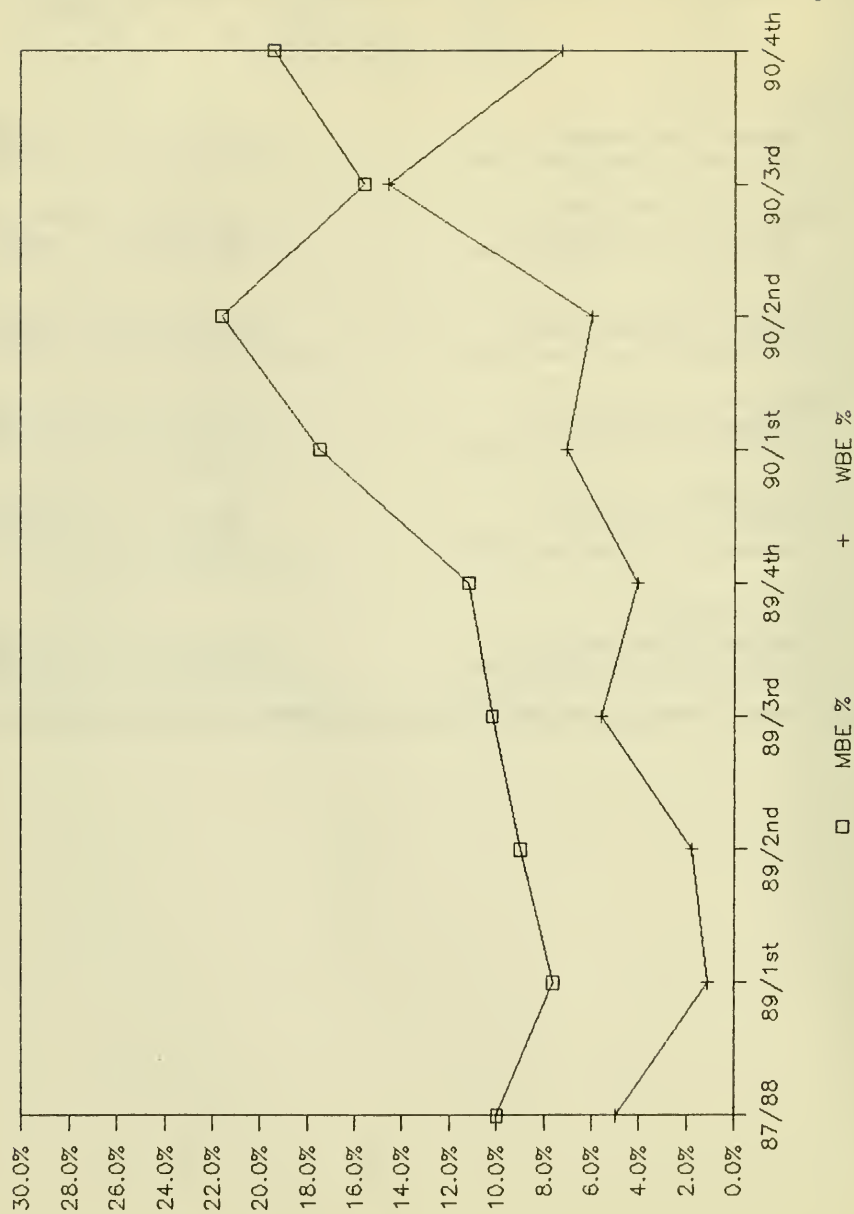
REGULAR PURCHASE ORDERS - SUMMARY

	% CHANGE 4TH QTR 89 TO 4TH QTR 90	% CHANGE 12 MOS 89 TO 12 MOS 90
TERM CONTRACT		
Number processed	7%	-12%
Average processing time	27%	25%
OPEN MARKET PURCHASE		
Number processed	33%	12%
Average processing time	22%	13%
BID PROPOSAL		
Number processed	36%	7%
Average processing time	19%	37%
QUOTATION		
Number processed	-15%	-13%
Average processing time	8%	3%
ALL OTHERS		
Number processed	2%	4%
Average processing time	-5%	11%
TOTAL PROCESSED		
Number processed	12%	2%
Average processing time	12%	12%

EMERGENCY/CONFIRMING PURCHASE ORDE

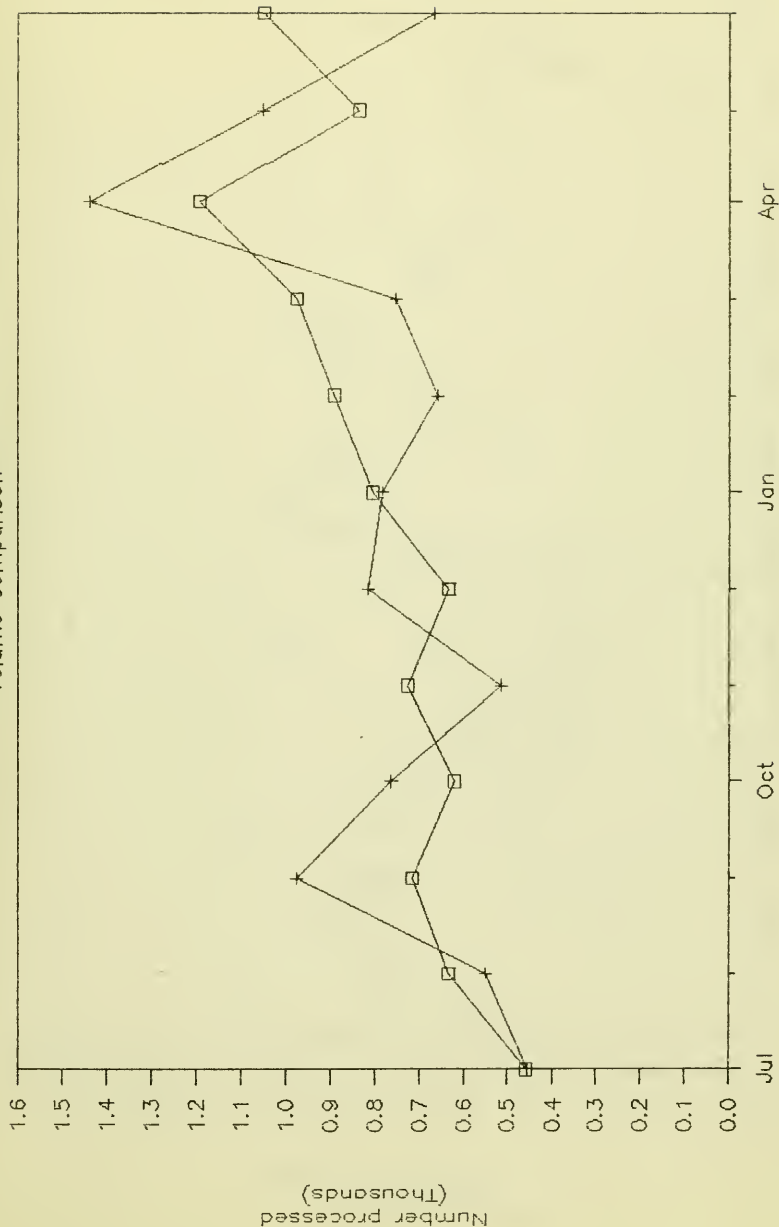
	% CHANGE 4TH QTR 89 TO 4TH QTR 90	% CHANGE 12 MOS 89 TO 12 MOS 90
TERM CONTRACT		
Number processed	-8%	-4%
Average processing time	46%	18%
OPEN MARKET PURCHASE		
Number processed	-24%	-11%
Average processing time	38%	23%
BID PROPOSAL		
Number processed	-75%	-61%
Average processing time	45%	-29%
QUOTATION		
Number processed	-5%	2%
Average processing time	81%	1%
ALL OTHERS		
Number processed	-3%	15%
Average processing time	-9%	7%
TOTAL PROCESSED		
Number processed	-19%	-7%
Average processing time	31%	3%

MBE/WBE PROCUREMENT LEVELS



TOTAL - REG & EMERG/CONFIRMING

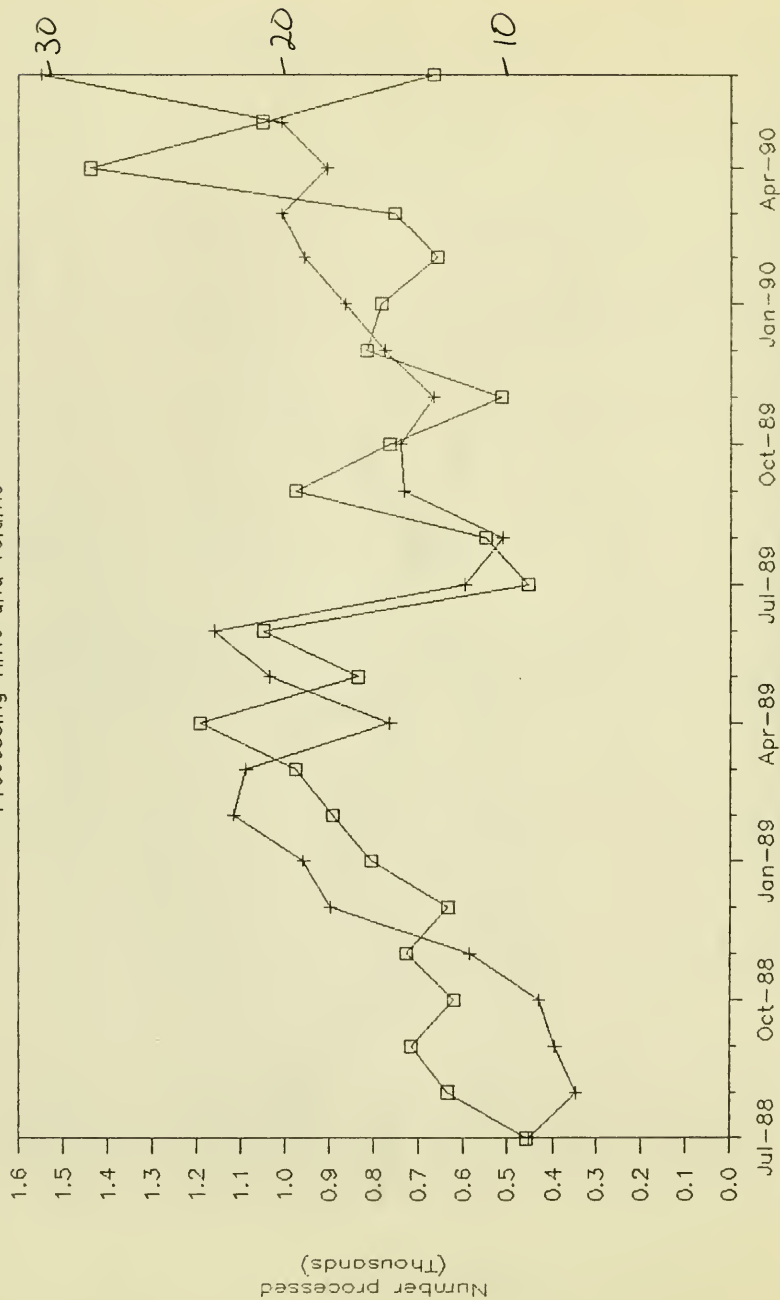
Volume Comparison



□ FY 88/89 + FY 89/90

TOTAL - REG & EMERG/CONFIRMING

Processing Time and Volume

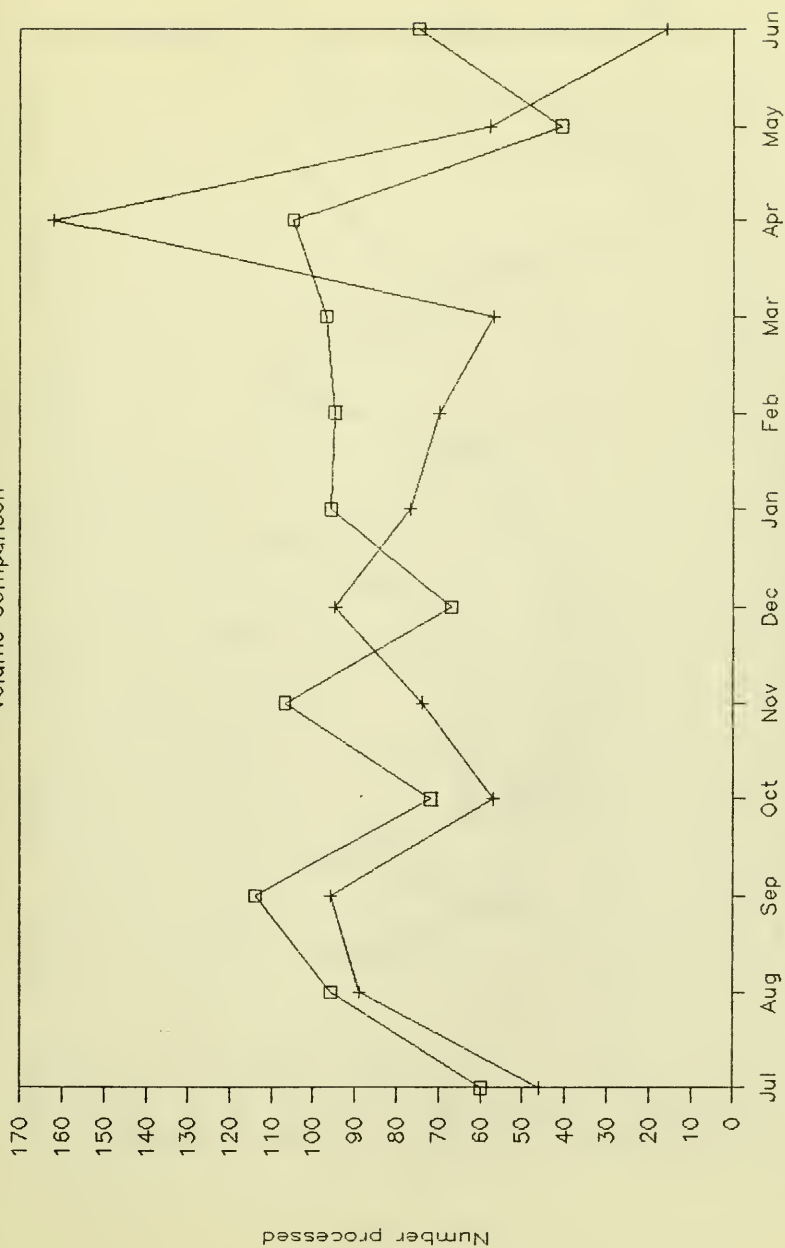


□ Number processed

+ Avg processing time

TERM CONTRACT - REGULAR P.O.

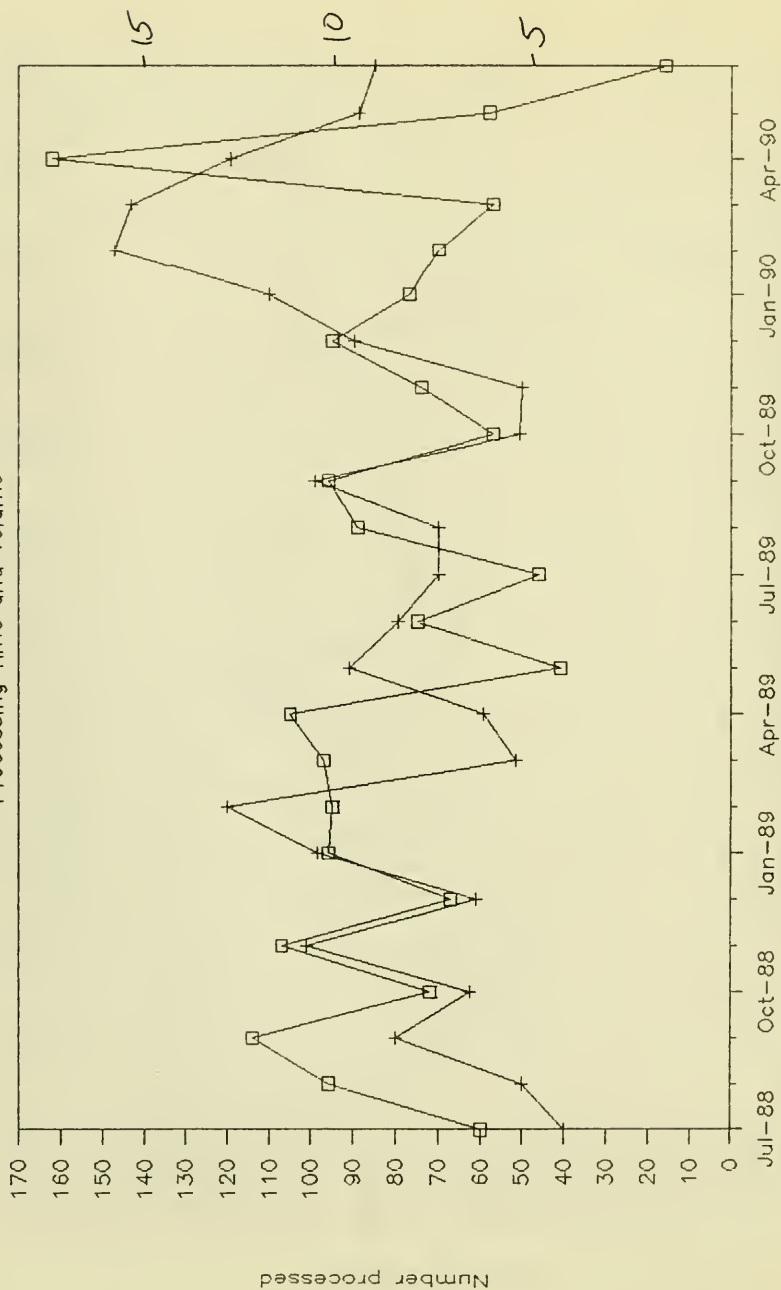
Volume Comparison



□ FY 88/89 + FY 89/90

TERM CONTRACT - REGULAR P.O.

Processing Time and Volume

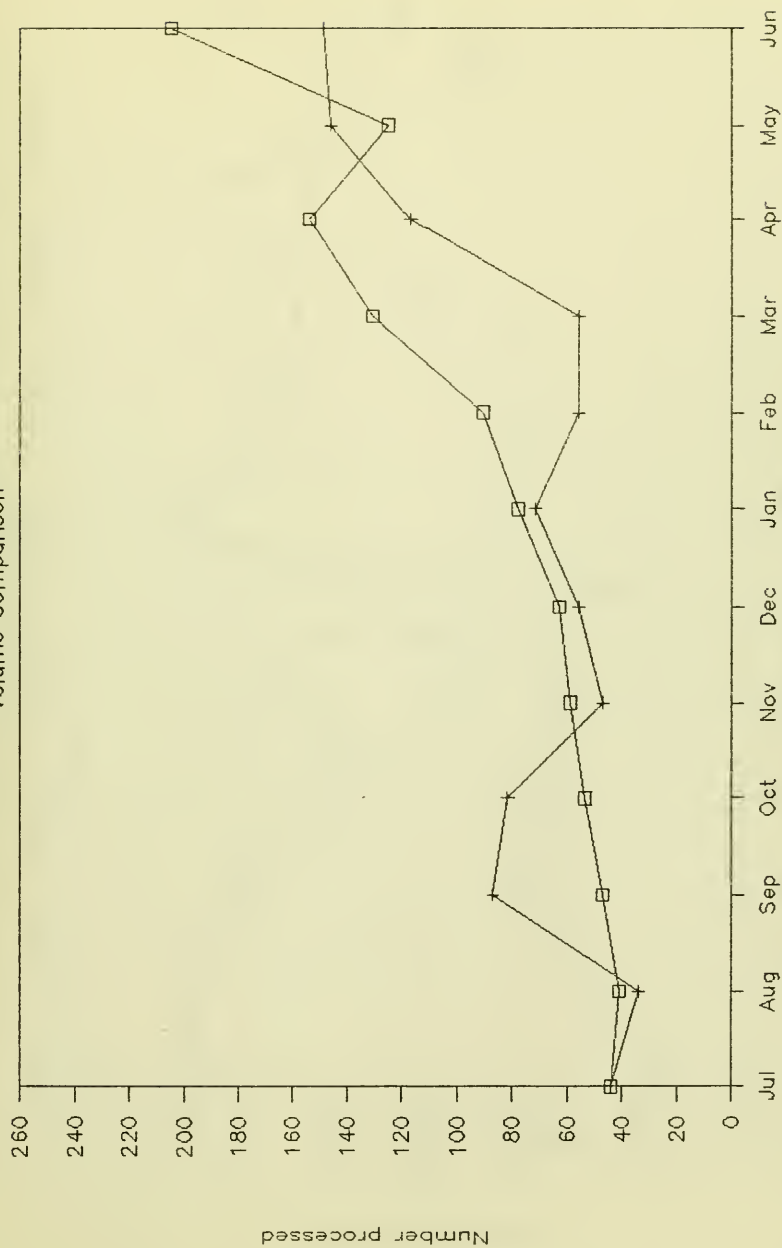


□ Number processed

+ Avg processing time

QUOTATIONS - REGULAR P.O.

Volume Comparison

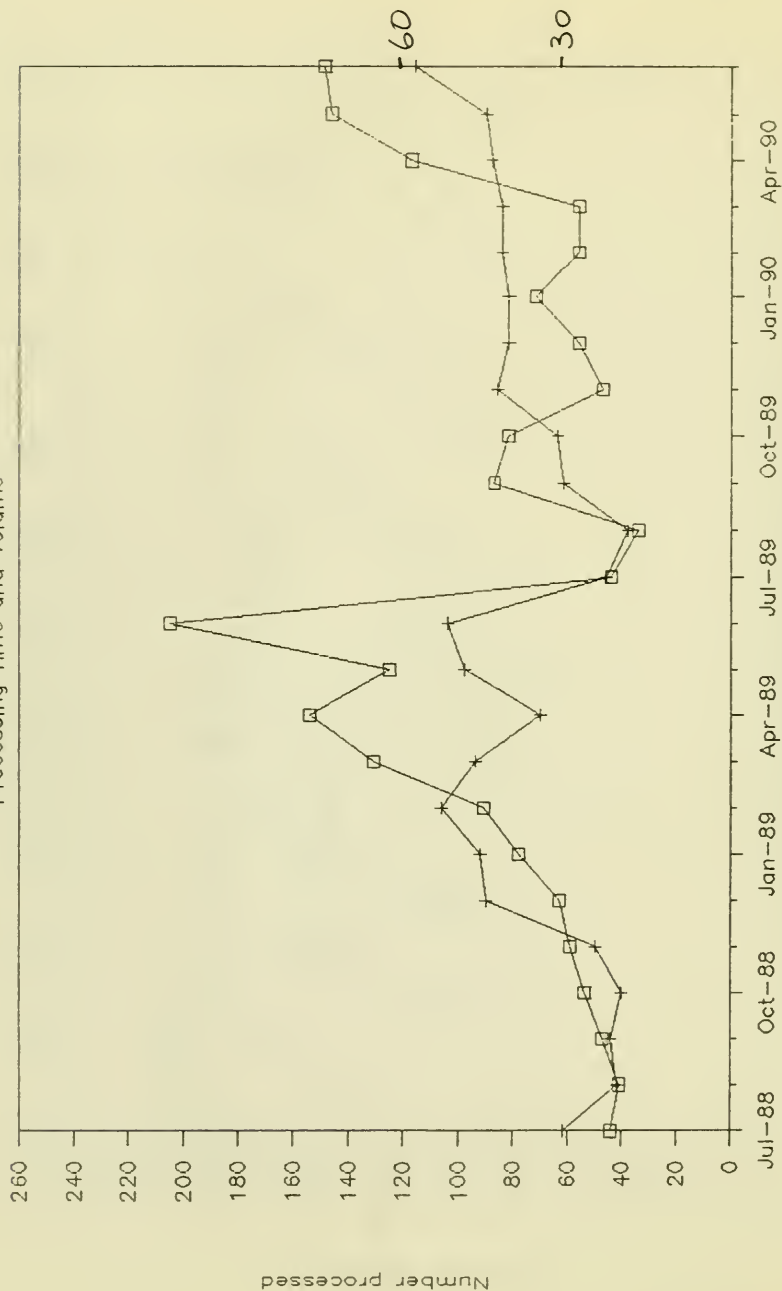


FY 89/90

FY 88/89

QUOTATIONS - REGULAR P.O.

Processing Time and Volume

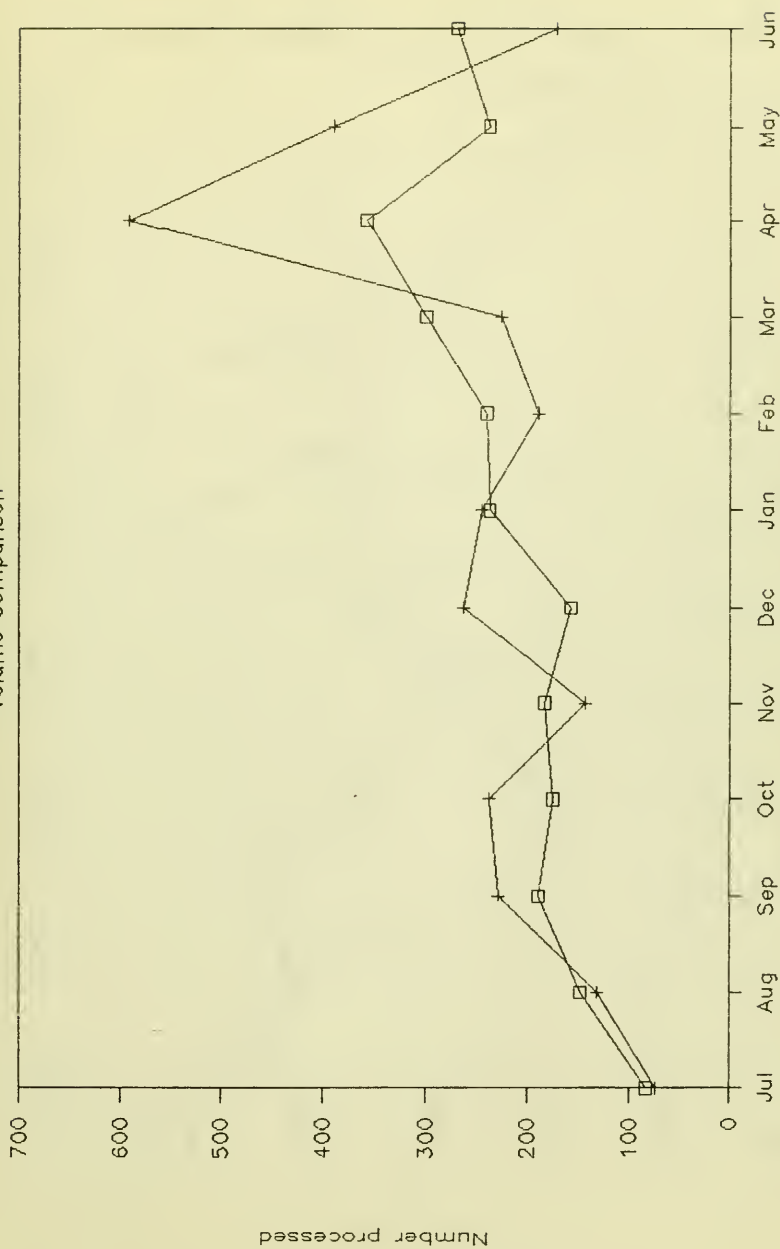


□ Number processed

+ Avg processing time

OMP - REGULAR P.O.

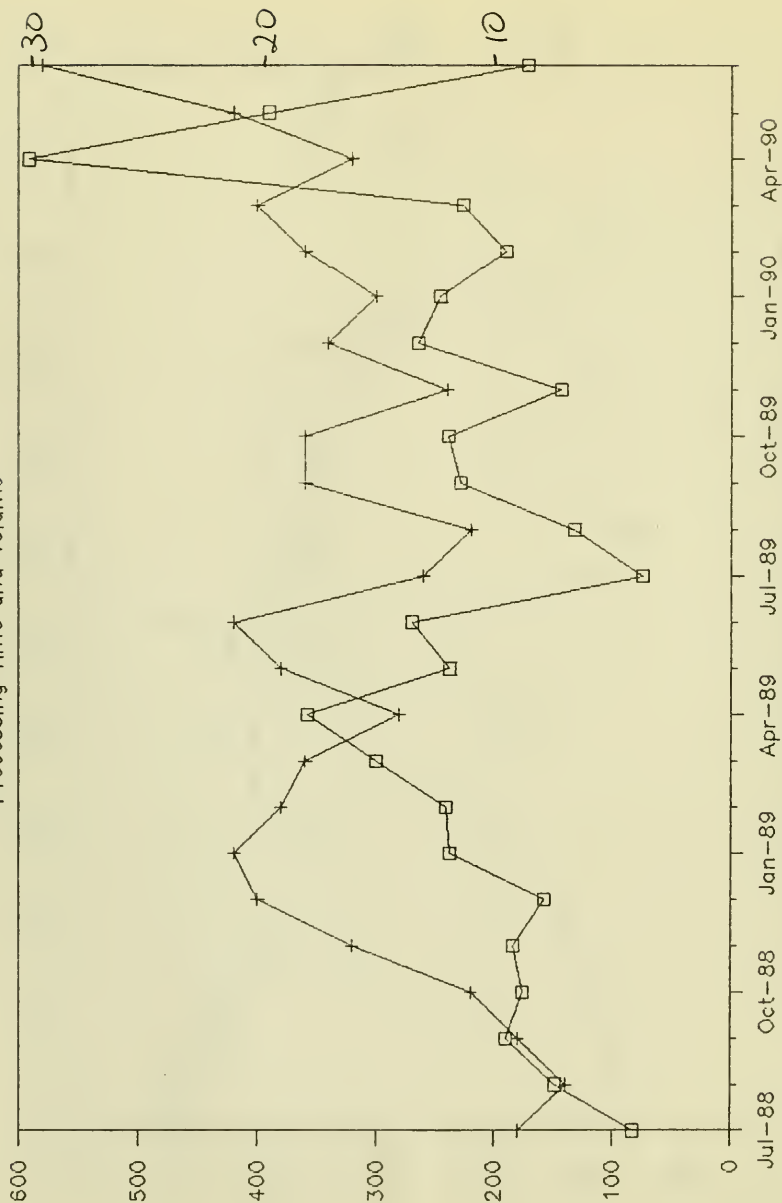
Volume Comparison



□ FY 88/89 + FY 89/90

OMP - REGULAR P.O.

Processing Time and Volume



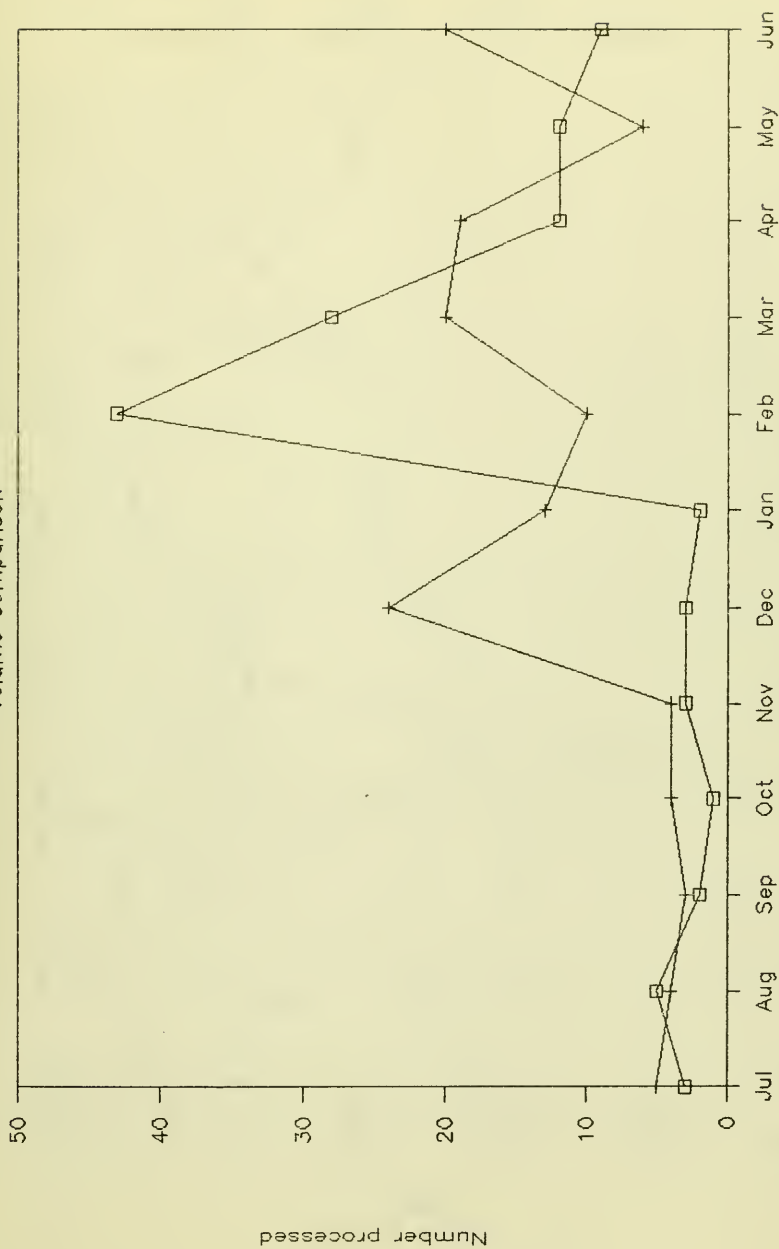
□ Number processed

+ Avg processing time

Avg processing time (days)

BID PROPOSALS - REGULAR P.O.

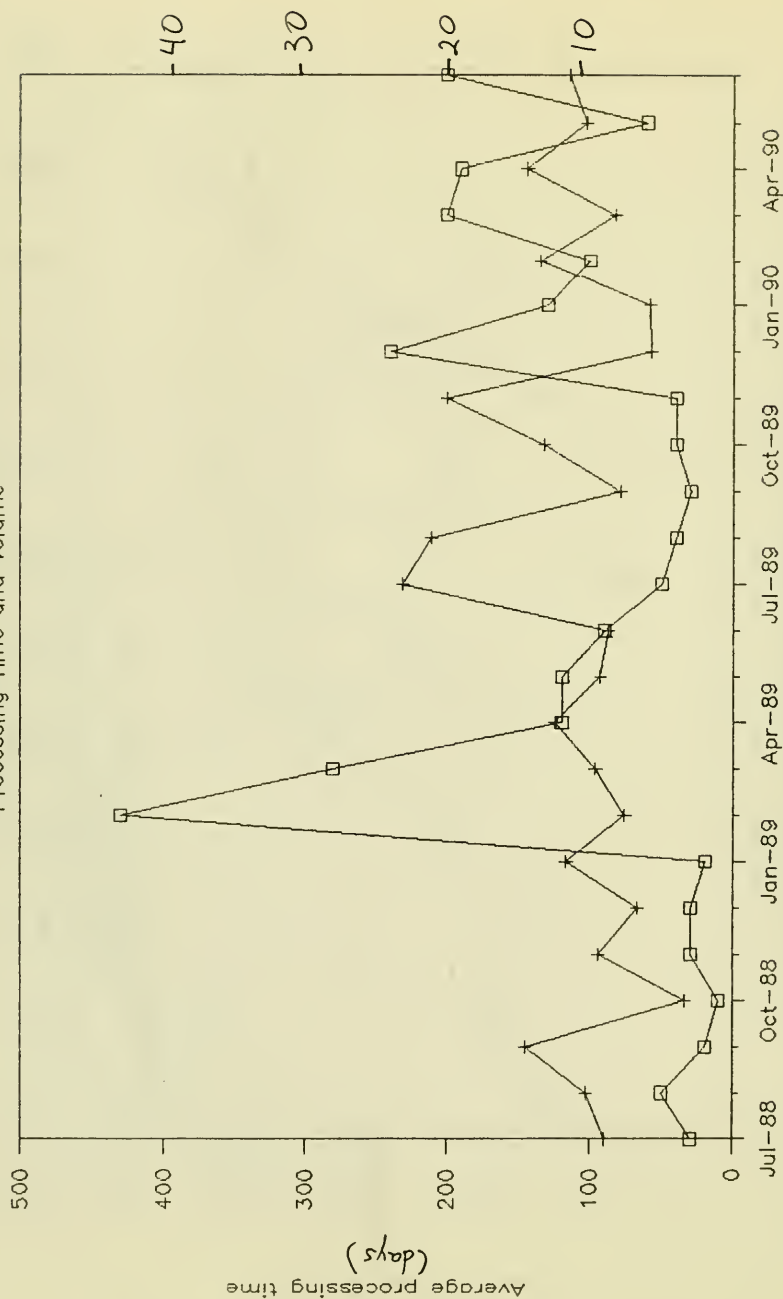
Volume Comparison



□ FY 88/89 + FY 89/90

BID PROPOSALS - REGULAR P.O.

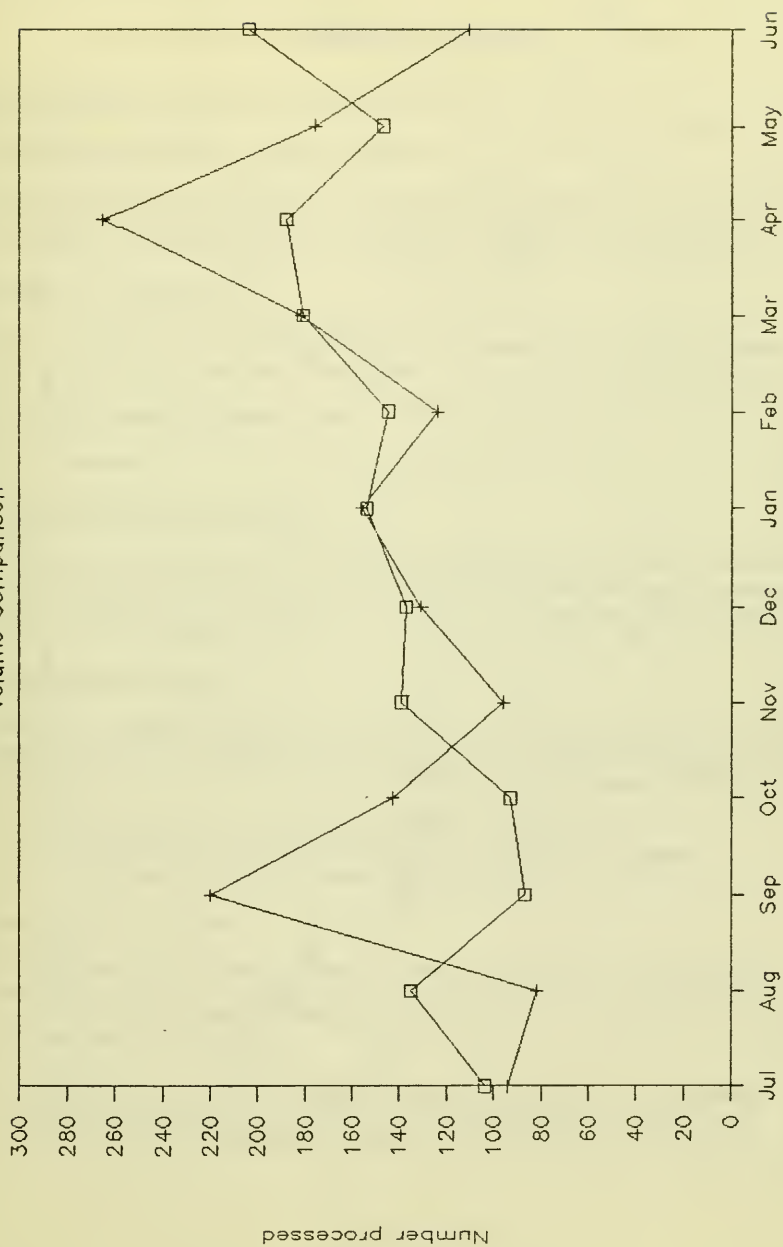
Processing Time and Volume



Number processed

OTHER AUTHORITIES - REGULAR P.O.

Volume Comparison

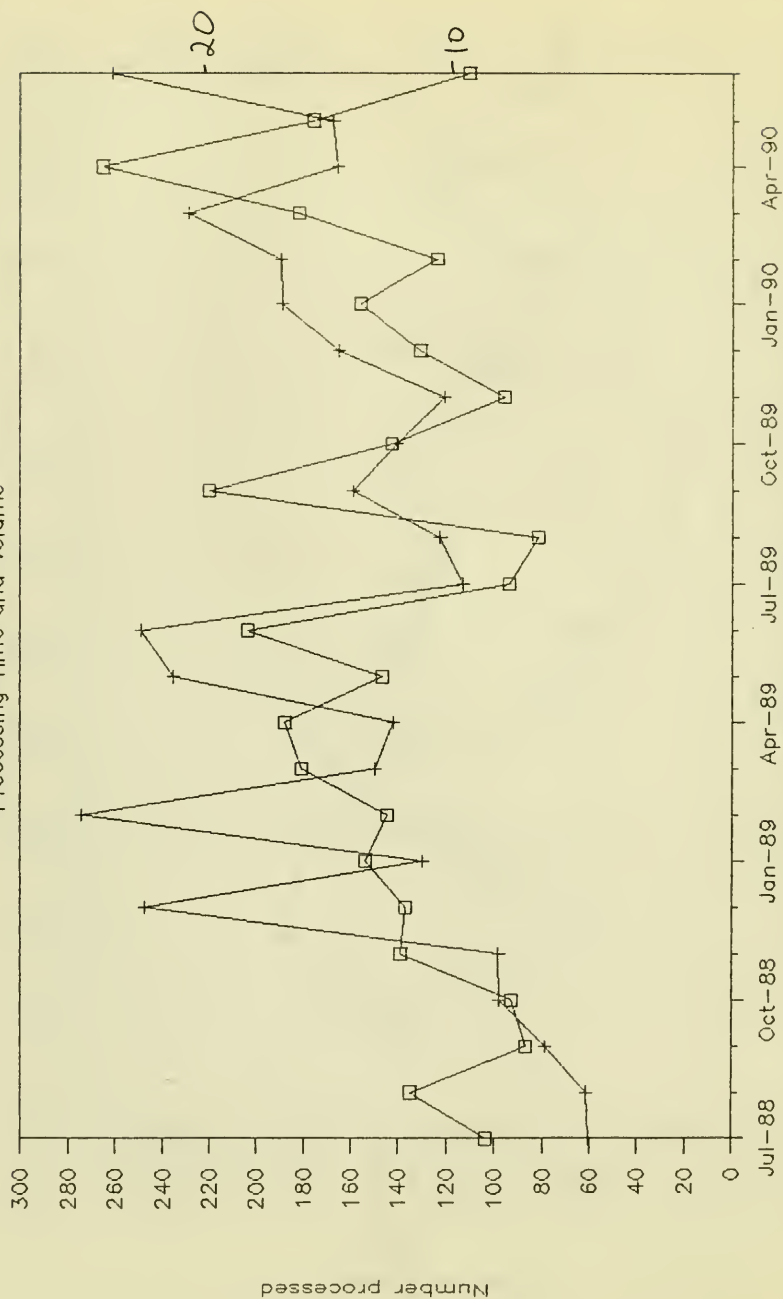


+ FY 89/90

□ FY 88/89

OTHER AUTHORITIES - REGULAR P.O.

Processing Time and Volume



□ Number processed

+ Avg processing time

PURCHASING DEPARTMENT QUARTERLY REPORT
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STOREKEEPING SERVICES

4th Quarter Highlights and Accomplishments

- Hazardous materials storage permits

Applications were submitted for permits for the Water Pollution Control and Water/CDD storerooms. In addition, the annual hazardous materials training for supervisors was conducted during the 4th quarter.

- Storeroom operations

The relocation of Muni's 3rd & Army Storeroom to its new location at the Flynn Center on Harrison Street was completed during the 4th quarter.

- Periodic physical inventories

(forthcoming)

- User satisfaction survey

All but two responses to the user satisfaction survey for storeroom operations have been received from user departments, and responses are being compiled for internal use and for distribution to all respondents and other interested persons.

- Stores/users groups

The Stores/Users group was established for Laguna Honda had its first meeting in May. The goal of this and other user groups is to facilitate communications between Stores personnel and user departments regarding:

- elimination of excess and obsolete inventories;
- consolidation and standardization of inventory items;
- other aspects of storeroom operations.

- Registrar of Voters

A major amount of staff resources were dedicated to assisting the Registrar of Voters with various activities for the June election. This activity will be transferred to the Registrar of Voters well in advance of the November election.

Discussions are continuing regarding the conversion of the space currently occupied by the Registrar of Voters into a health and recreation center for Municipal Railway employees.

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STOREKEEPING SERVICES

- Civil Service examinations

A major activity during the 4th quarter was working with the Civil Service Commission to conduct examinations for the entire Parts Storekeeper series, which were completed. Our activity in this regard consisted of:

- providing information regarding job requirements of the classes;
- developing examination materials;
- supplying staff to sit on interview panels.

- Staff reductions

The FY 90/91 budget includes a reduction of two positions:

- one 1934 Storekeeper for Recreation and Park;
- one 1936 Senior Storekeeper funded by the Registrar of Voters.

Comments regarding Performance Indicators

- Unscheduled absenteeism

The Storekeeping Services division met its goal of no more than nine hours average sick leave per employee in April and May, but averaged 10.2 hours per employee in June. For the entire year, the average sick leave per employee was approximately 9.5 hours, which was a 15% improvement over FY 88/89.

- Surplus property sales

Surplus property sales totaled \$310,000. The annual target is \$300,000.

PURCHASING DEPARTMENT QUARTERLY REPORT
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FY 89/90 YEAR-END REPORT

STOREKEEPING SERVICES

Year-end Report

Summary of progress against objectives for FY 89/90

- Procedures development -- Continue preparation of the Storekeeping Division Operating Procedures Manual, to complement the personnel policies and hazardous materials handling and storage procedures manuals that are already in place.

Less progress was made on the development of the operating manual than we initially had expected, due to unanticipated demands on staff time to focus on physical inventory issues, participate in the management audit, and other special projects. The first section of the operating manual was completed, pertaining to sales of City-owned surplus vehicles, and the next sections will pertain to inventory control and periodic physical inventory functions.

- New office facilities -- Construct office facilities for storekeeping management and supervisory staff within new central warehouse building.

This was entirely completed, including the design and construction of offices for managers, a conference/assembly room, women/handicapped restroom, employees locker room, and a service area containing eye wash and decontamination shower.

The Registrar of Voters found the facility very adaptable and functional in meeting their election-related needs for the last election.

Proposed objectives for FY 90/91

- Management audit -- Respond to findings and recommendations resulting from Budget Analyst management audit.
- Procedures development -- Continue preparation of the operating procedures manual, beginning with sections on inventory control and periodic physical inventory functions.
- Parts Storekeeper positions -- Complete the replacement of all Storekeepers at Municipal Railway storerooms with Parts Storekeepers.

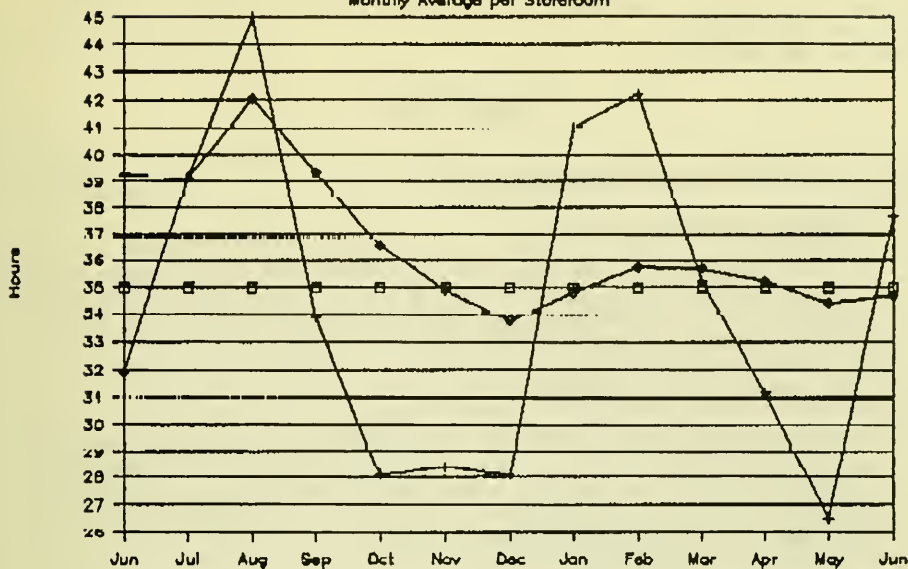
PURCHASING DEPARTMENT QUARTERLY REPORT
FY 89/90 4TH QUARTER
FY 89/90 YEAR-END REPORT

STOREKEEPING SERVICES

- Hazardous Materials Permits -- Complete the permitting of all storerooms, contingent on Department of Public Health schedules for conducting hazardous materials reviews of user departments.
- Inventories -- Respond to issues, in coordination with user department staff for various storerooms, associated with the interfacing of periodic physical inventories with financial accounting functions. Any plans in this regard are contingent on agreements with user departments, the Controller, and CAO, related to: inventory policies and procedures; staffing and funding issues; and other matters.

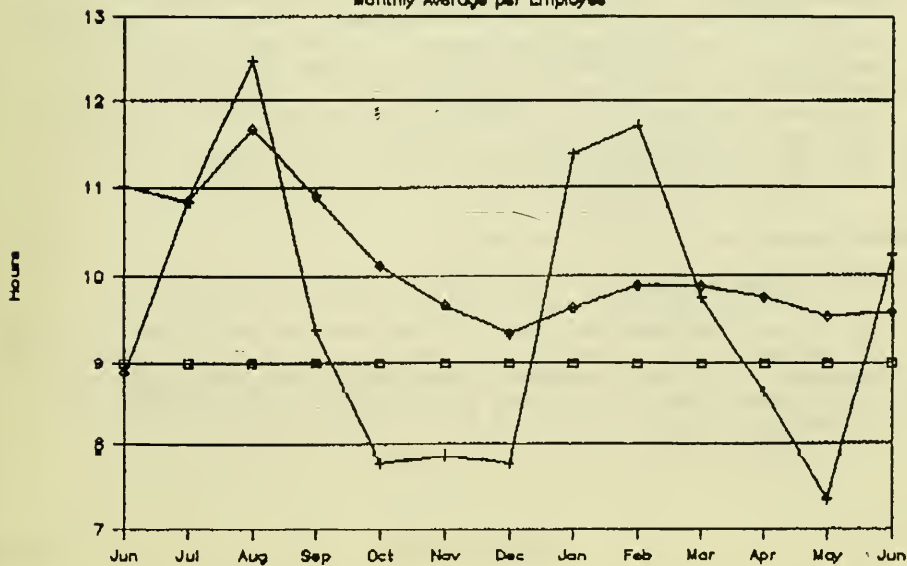
Attendance Summary - Sick Leave

Monthly Average per Storeroom



□ MBO + Actual Average ◇ Weighted Average

Monthly Average per Employee



□ MBO + Actual Average ◇ Weighted Average

PURCHASING DEPARTMENT QUARTERLY REPORT
FY 89/90 4TH QUARTER
FY 89/90 YEAR-END REPORT

CENTRAL SHOPS

4th Quarter Highlights and Accomplishments

- Vehicle replacement program

The City Auto Purchases budget for replacement of general-funded, general purpose vehicles was approved by the Mayor for replacement of 53 vehicles. This is a significant improvement over the past two budgets, which had funded replacement of only a few vehicles.

- Fleet Administrator position

The Fleet Administrator hired during the 3rd quarter, John Foreman, accepted a position with the Municipal Railway in April. Shops again extensively advertised and recruited for the position during the 4th quarter. The number one prospect for the position is currently an employee of the Municipal Railway.

- Hazardous Materials

The Rec/Park shops satisfied all requirements for a hazardous materials permit, and the permit will be issued as soon as the application fee is paid. This leaves only the main Jerrold Street shops to be permitted, and the application is expected to be submitted in August.

- Privatization proposal -- A proposal was received directly by the Police Department from a private maintenance company, Butler Fleet Maintenance Services, to privatize the maintenance of all Police Department autos and motorcycles. The Mayor's Office became actively interested in the proposal. The Mayor's Office requested that Purchasing review and comment on the proposal. We identified a number of issues from a cost and operational standpoint, and the Police Department is currently reviewing the proposal in light of these and other issues.

Comments regarding Performance Indicators

- Vehicle availability

The accompanying downtime report for June includes one structural change, in the Police motorcycles section. This section is now divided into two groups, one for Police motorcycles, the other for Parking and Traffic motorcycles. This is being done to accommodate the new Department of Parking and Traffic.

PURCHASING DEPARTMENT QUARTERLY REPORT
FY 89/90 4TH QUARTER
FY 89/90 YEAR-END REPORT

CENTRAL SHOPS

Vehicle availability targets were met for most fleets. Targets not met included:

- DPW-sweepers -- The street sweeper fleet missed the downtime target one day during the month of May, and two days during June.
- Police-motorcycles -- The average downtime for Police motorcycles remains very high. The primary factor in this case is that the Police have removed 11 motorcycles from service for repairs, but have not authorized Shops to repair them. Some of these have been out of service since last November. If these vehicles are either retired from the fleet or are repaired, then Shops should be able to meet the downtime targets.
- Police-autos -- The target for this fleet was not achieved during the 4th quarter. Shops has met with the Police Department and established a more realistic availability target for this fleet of 93%, which is reflected on the June downtime report.

Year-end Report

Summary of progress against objectives for FY 89/90

- Automation -- Analyze options and develop a strategy for automation of fleet management information and accounting functions.

Notable progress was made in automating administrative/office support tasks. Almost all office personnel now use microcomputers to assist them with their duties.

The automation of Central Shops' fleet maintenance and accounting functions did not proceed as planned during FY 89/90. Problems with the Fleet Administrator position substantially hindered our automation work.

- Vehicle specifications and purchasing -- Develop a proposal for giving Central Shops a larger role in formulating vehicle specifications and administering vehicle purchases.

This issue was proposed and discussed at length with the Mayor's Office staff during the budget process. Despite their concurrence with us that the need for the position is clearly justified, they were not able to fund the position in the budget. This will continue to be an issue among our objectives for FY 90/91.

PURCHASING DEPARTMENT QUARTERLY REPORT
FY 89/90 4TH QUARTER
FY 89/90 YEAR-END REPORT

CENTRAL SHOPS

- Preventive maintenance -- Continue the focus on increasing resources dedicated to preventive maintenance.

Preventive maintenance programs are established and being carried out, in varying degrees, on all vehicles maintained by Central Shops. Several fleets still would benefit greatly from a combination of more comprehensive preventive maintenance and replacement of old vehicles. Lack of funding remains the major constraint in this area.

We have developed an automated inspection program for trucks that fully complies with the California Highway Patrol's truck inspection program.

Proposed objectives for FY 90/91

- Fleet Administrator position -- Hire a Fleet Administrator.
- Vehicle specifications and purchasing -- Obtain funding for an Equipment Engineer position for developing and standardizing vehicle specifications.
- Automation -- Proceed toward fully automating Central Shops fleet management and accounting functions.
- Facilities maintenance and capital improvements -- Make major repairs to Central Shops roadways. Install the new paint booth.
- Storekeeping support functions -- Develop plans to remodel Central Shops' storeroom. Also, develop a plan to increase staff in the storeroom to serve the needs of Central Shops and relieve shop foreman of routine and time-consuming parts ordering functions.
- Office space planning and conversion -- Design and implement a new space plan for the office space at Central Shops, expanding into what is currently the storage room for Fire Department hoses and other supplies and equipment.
- Department of Parking and Traffic -- Adapt systems and procedures, and establish service relationship with new Department of Parking and Traffic.

VEHICLE AVAILABILITY REPORT
Central Shops
JUN/90

FLEET	FLEET SIZE	# AVAILABLE DEMAND	% AVAILABLE DEMAND ACTUAL	DOWN DAYS AVG TARGET	TARGET DAYS ABOVE BELOW
Ambulances	19	12	63	2	22 0
Fire-Aerials	24	18	75	4	22 0
Fire-Pumpers	57	41	73	2	22 0
Police-Autos	560	520	93	4	
Police-Motorcycles	277	263	95	18	
DPW Sweepers	40	30	75	9	19 2
DPW Constr equip	78	66	85	1	22 0
DPW Point Striper	2	1	50	10	22 0
DPW Sewer Cleaners	14	10	70	4	22 0
DPW Packer/Loader	17	13	77	9	22 0
DPW Aerial	6	4	66	12	11 11
Truck Shop Fleet	650	585	90	5	22 0
Car Shop Fleet	1000	950	95	3	22 0

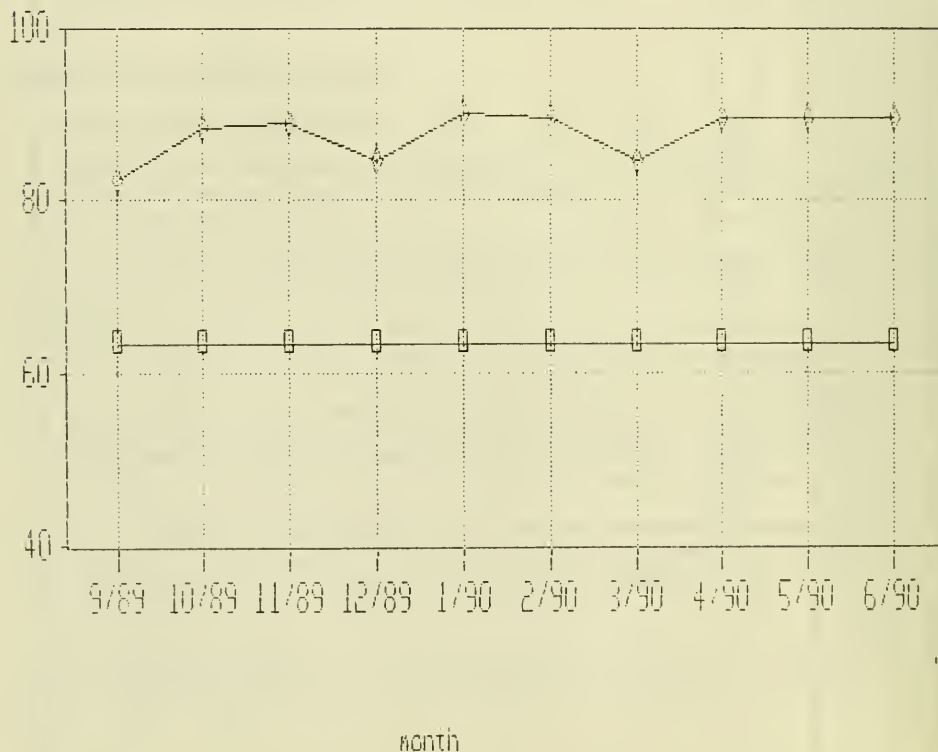
VEHICLE AVAILABILITY REPORT

Central Shops

June 1990

FLEET	FLEET SIZE	AVAILABLE		ACTUAL		DOWN AVG	DAYS TARGET	TARGET	
		TARGET #	%	#	%			ABOVE	BELOW
ambulances	19	12	63	17	89	2		22	0

Ambulance Availability



—◇— % actual

—□— % target

VEHICLE AVAILABILITY REPORT
Central Shops
June 1990

FLEET	FLEET SIZE	AVAILABLE		ACTUAL		DOWN AVG	DAYS TARGET	TARGET DAYS	
		TARGET #	%	#	%			ABOVE	BELOW
aerial	24	18	75	22	92	4		22	0

Fire-Aerial Availability



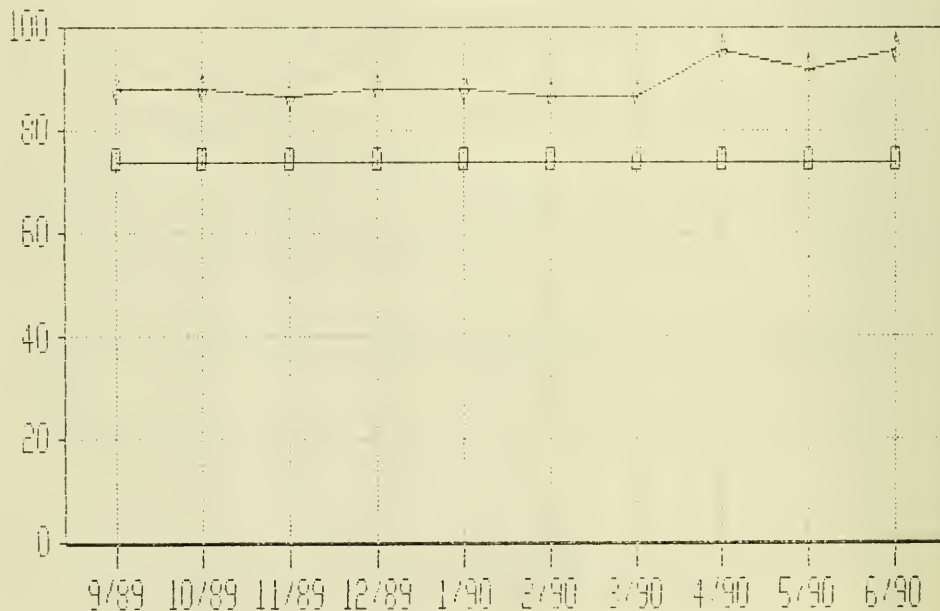
—◇— % actual

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VEHICLE AVAILABILITY REPORT
Central Shops
June 1990

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS		TARGET DAYS	
		TARGET #	TARGET %	ACTUAL #	ACTUAL %	AVG	TARGET	ABOVE	BELOW
pumpers	57	41	73	54	95	2		22	0

Fire-Pumper Availability



month

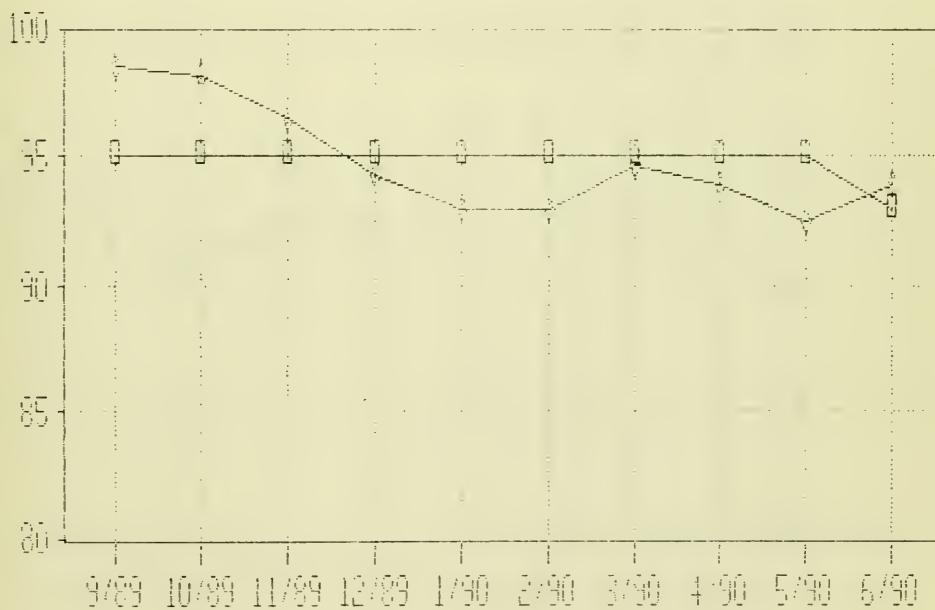
—♦— % actual

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VEHICLE AVAILABILITY REPORT
Central Shops
May 1990

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG	ABOVE BELOW
police/autos	560	520	93	526	94	4	

Police/Autos Availability



month

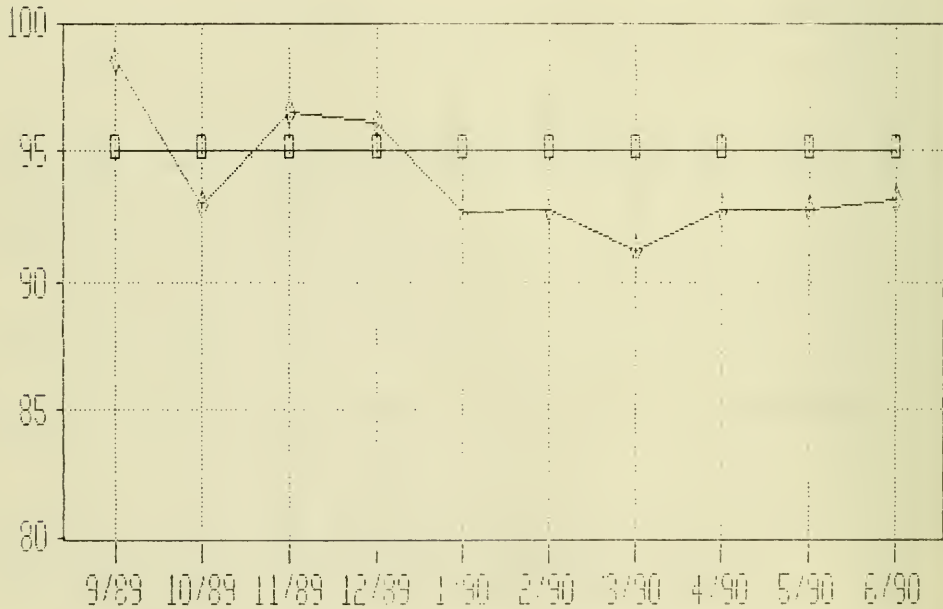
-- % actual

-□- % target

VEHICLE AVAILABILITY REPORT
Central Shops
June 1990

FLEET	FLEET SIZE	TARGET		AVAILABLE		DOWN DAYS		TARGET DAYS	
		#	%	#	%	AVG	TARGET	ABOVE	BELOW
police/motorcyc	277	263	95	258	93	18			

Police/Motorcycles Availability



north

—♦— % actual

-□- % target

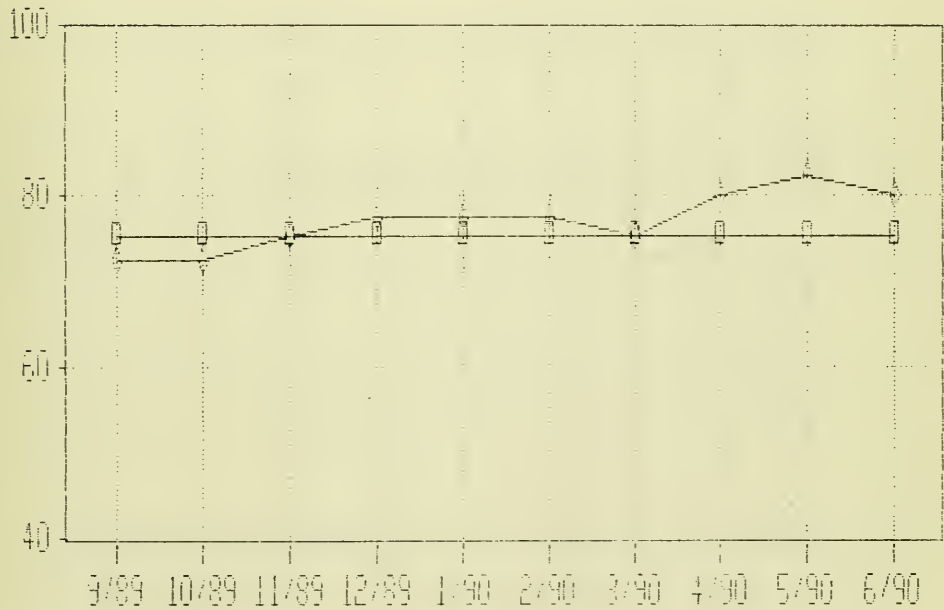
VEHICLE AVAILABILITY REPORT

Central Shops

June 1990

FLEET	FLEET SIZE	TARGET		AVAILABLE ACTUAL		DOWN DAYS AVG TARGET		TARGET DAYS ABOVE BELOW	
		#	%	#	%				
sweepers	40	30	75	32	80	9		19	2

Sweeper Availability



month

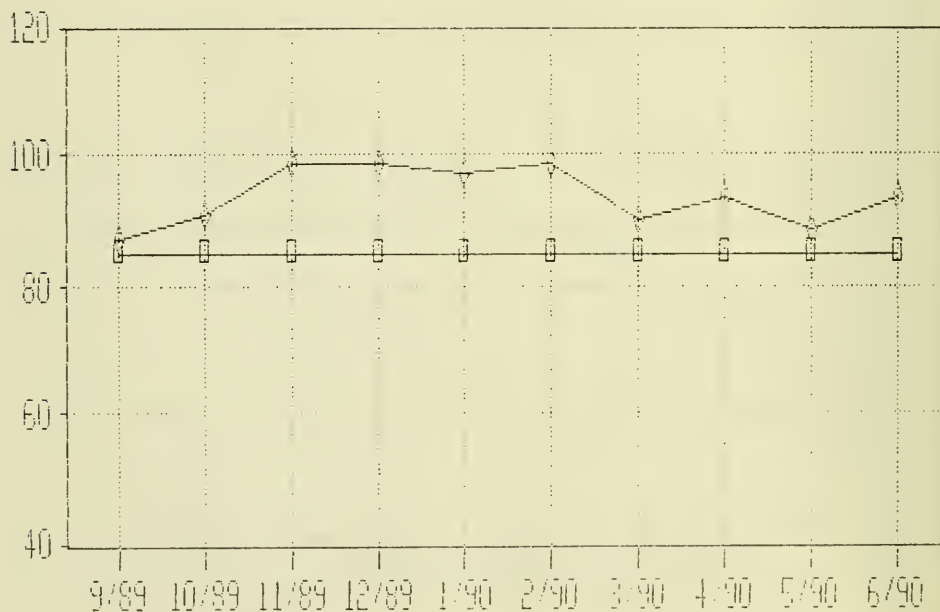
+ % actual

+ % target

VEHICLE AVAILABILITY REPORT
Central Shops
June 1990

FLEET	FLEET SIZE	AVAILABLE				DOWN AVG	DAYS TARGET	TARGET DAYS	
		TARGET #	TARGET %	ACTUAL #	ACTUAL %			ABOVE	BELOW
constr equip	78	66	85	73	94	1		22	0

DPW Construction Equipment



north

—□— : actual

---△--- : target

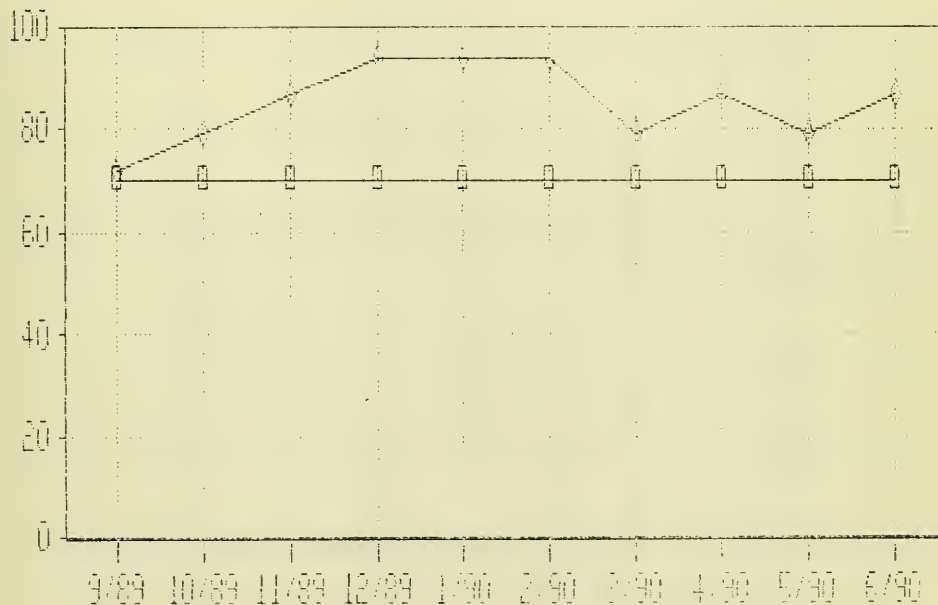
VEHICLE AVAILABILITY REPORT

Central Shops

June 1990

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG	TARGET
sewer cleaners	14	10	70	12	86	4	22 0

DPW Sewer Cleaner Availability



month

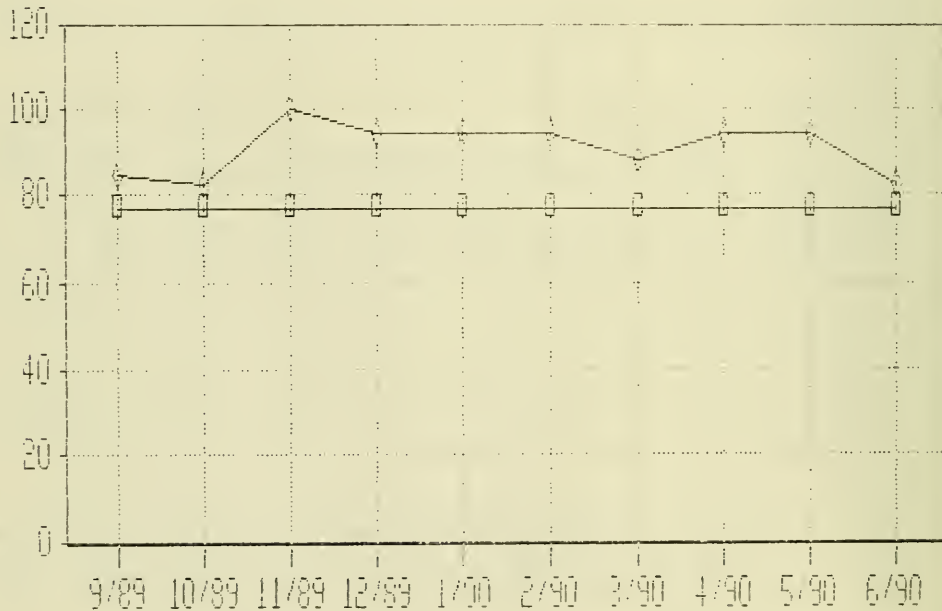
—♦— actual

-□- target

VEHICLE AVAILABILITY REPORT
Central Shops
June 1990

FLEET	FLEET SIZE	TARGET		AVAILABLE		DOWN AVG	DAYS TARGET	TARGET DAYS	
		#	%	#	%			ABOVE	BELOW
packer/loader	17	13	77	14	82	9		22	0

DPW Packer/Loader Availability



MONTH

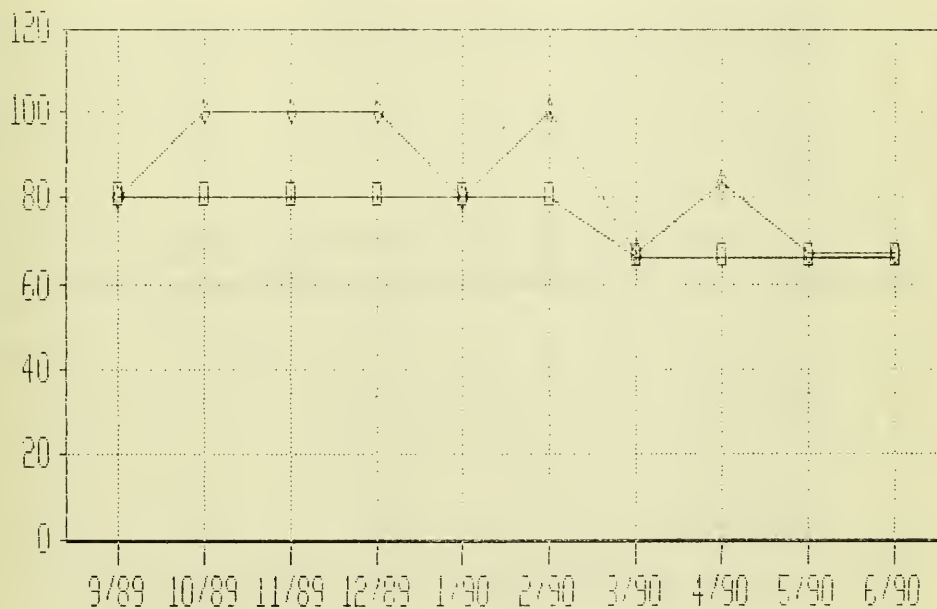
—◇— % actual

—□— % target

VEHICLE AVAILABILITY REPORT
Central Shops
June 1990

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS AVG	DAYS TARGET	TARGET DAYS	
		TARGET #	%	ACTUAL #	%			ABOVE	BELOW
dpw/aerial	6	4	66	4	67	12		11	11

DPW Aerial Availability



month

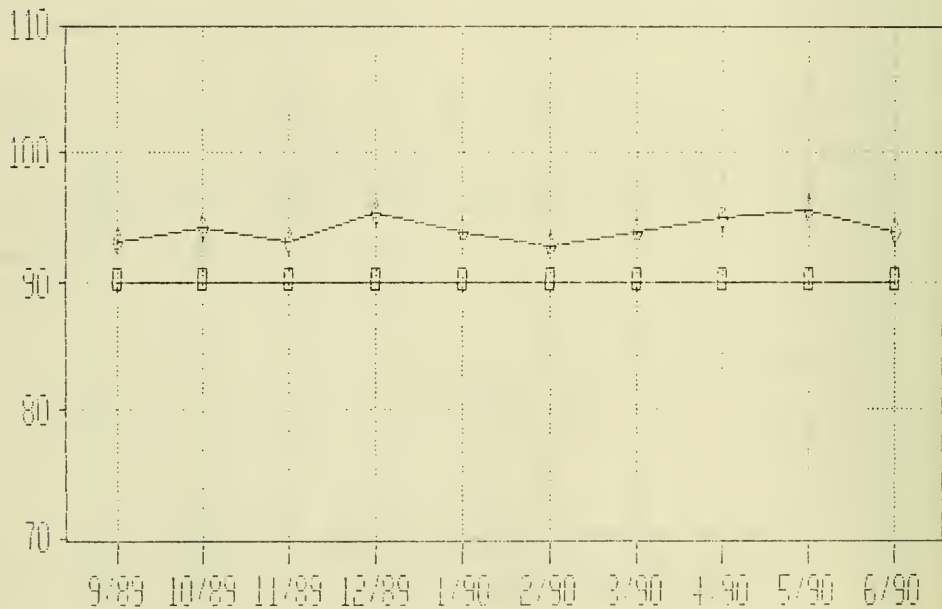
+ % actual

-□- % target

VEHICLE AVAILABILITY REPORT
Central Shops
June 1990

FLEET	FLEET SIZE	TARGET		AVAILABLE		DOWN AVG	DAYS TARGET	TARGET DAYS	
		#	%	#	%			ABOVE	BELOW
heavy trucks	650	585	90	610	94	5		22	0

Truck Shop Fleet Availability



month

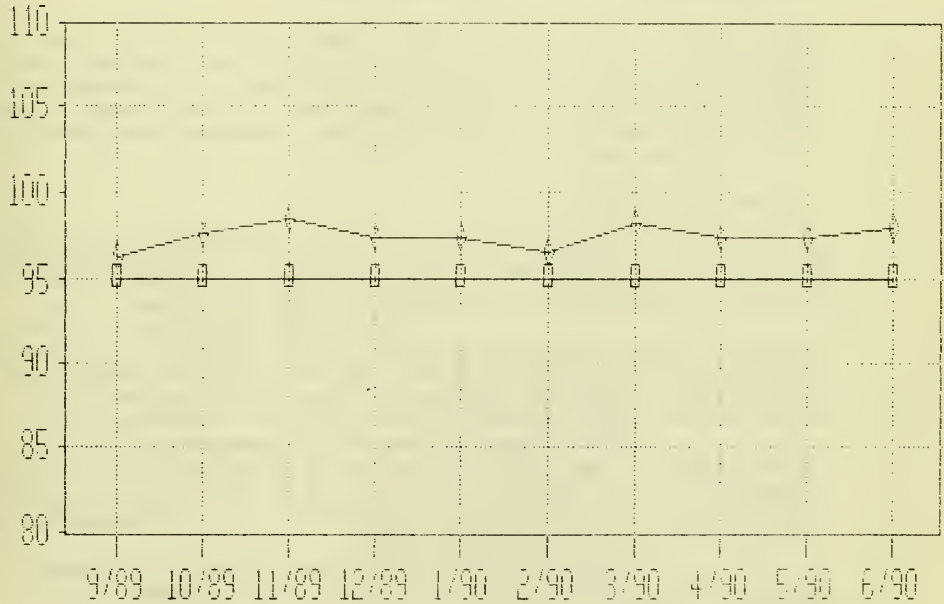
—◆— actual

- - -□ - - - target

VEHICLE AVAILABILITY REPORT
Central Shops
June 1990

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG	TARGET
car shop	1000	950	95	979	98	3	22 0

Car Shop Fleet Availability



north

—■— % actual

- - - ■ - - % target

PURCHASING DEPARTMENT QUARTERLY REPORT
FY 89/90 4TH QUARTER
FY 89/90 YEAR-END REPORT

ADMINISTRATIVE SERVICES

4th Quarter Highlights and Accomplishments

- Payment processing -- Response by user departments to our request to submit MRR's for processing was very good in the 4th quarter, as can be seen from the payments processed data shown below.

A major addition to our invoice processing function during the 4th quarter was entering actual payment data from the Controller's Office into the invoice tracking system. In response to vendor and user department inquiries, we now are able to provide information regarding payment amounts, dates, and check numbers directly and quickly.

- Year-end surge

As expected, the end of the year resulted in a substantial increase in purchasing activity in comparison to the first three quarters. In comparison to the 4th quarter of FY 88/89, there was a 12% increase in purchase order volume. This, in combination with the invoice processing workload and unexpected staffing shortages, required extra effort by all of the clerical support staff.

- Reproduction and Mail Services

By early May, or through ten months of the year, Reproduction already surpassed the printing volume of the entire previous fiscal year. Total services surpassed the \$1 million mark for the first time.

A large project in Reproduction during the 4th quarter was to plan and conduct the test of recycled paper. Comments and recommendations on the use of recycled paper for printing and photocopying purposes were submitted to the CAO's Recycling Committee.

In Mail Services, during the 4th quarter there was the beginning of conversion of user department mailing lists to zip-plus-4. Purchasing, DPH Disease Control, and Board of Supervisors are converted, saving one-half cent per piece of regular mail.

Mail pick-up and delivery service at 25 Van Ness increased to five department during the quarter.

PURCHASING DEPARTMENT QUARTERLY REPORT
FY 89/90 4TH QUARTER
FY 89/90 YEAR-END REPORT

ADMINISTRATIVE SERVICES

Comments regarding Performance Indicators

- Purchase order payment processing time

As shown on the accompanying graph, payment processing time improved significantly from February through April. In April, over 80% of payments were completed within 10 days, and 50% within 5 days.

The situation changed in May; although over two-thirds of payments were made within 10 days, less than 40% were made within 5 days. There was a 100% increase in workload in May and June, shown by the following figures:

Payments processed

January	554
February	454
March	490
April	724
May	1,044
June	962

- Reproduction Services volume

Volume during the 4th quarter again was much higher than in last fiscal year. For the entire year, there was an increase of almost 7.5 million impressions, or 25%, from FY 88/89.

- Mail Services volume

Volume was fairly static in the Mail Services area. For the entire year, there was approximately a 5% increase over FY 88/89.

Year-end Report

Summary of progress against objectives for FY 89/90

- Payment processing -- Increase focus on expediting user departments to speed up processing of purchase order payments.

The first step in expediting departments to submit documents for payment processing after goods are received was the development and implementation of an automated invoice tracking system. All purchase order invoices are entered into this system. The system enables us to compare invoices received with expected delivery dates for goods ordered as shown in the purchase order tracking system.

PURCHASING DEPARTMENT QUARTERLY REPORT
FY 89/90 4TH QUARTER
FY 89/90 YEAR-END REPORT

ADMINISTRATIVE SERVICES

We began sending out to user departments periodic reports showing MRR's that we expect should be able to be processed, based on our receipt of an invoice and the expected delivery dates. This, complemented by followup notes and calls, has been an effective tool for reducing delays in paying purchase order invoices.

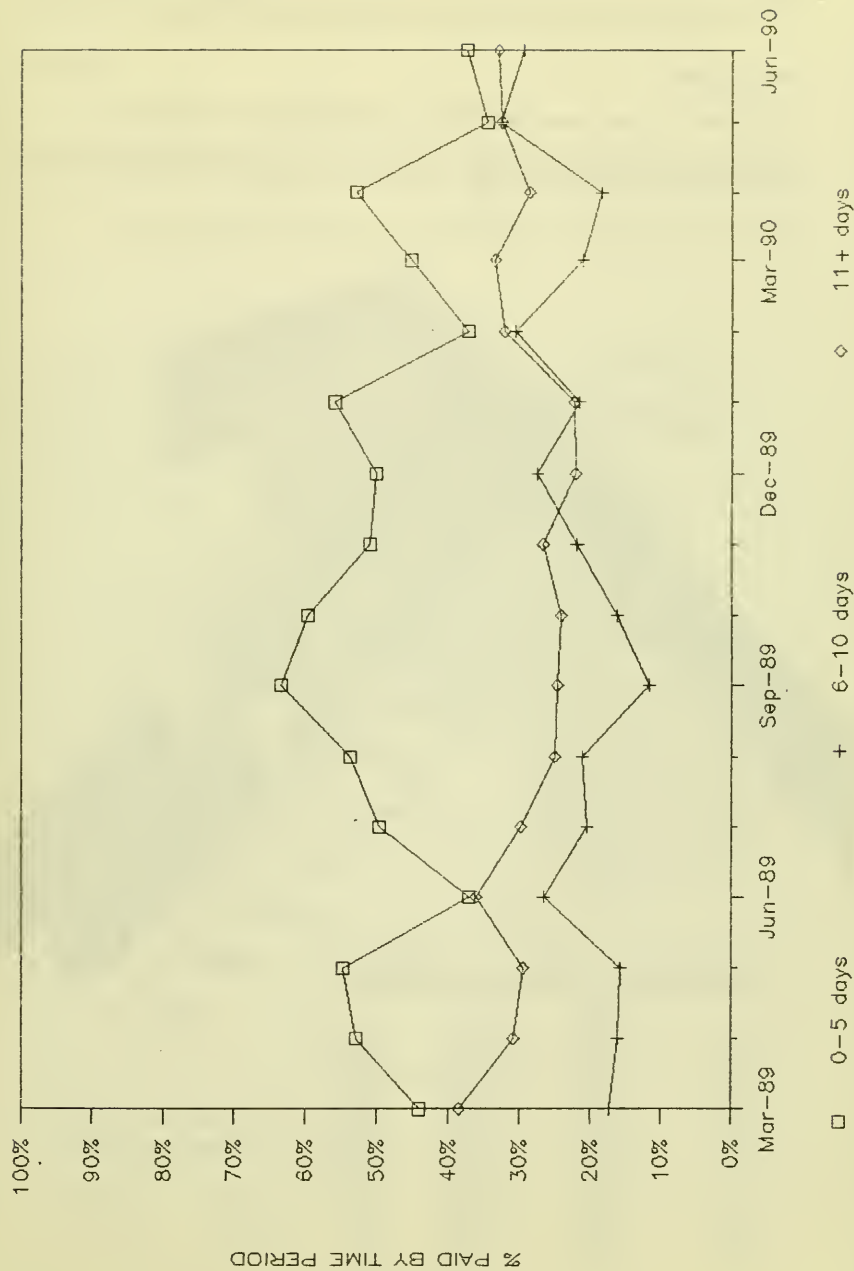
- Mail guidelines -- Establish guidelines for user departments regarding mail processing and standardization of mailing materials used by departments.

A comprehensive how-to guide for user departments on U.S. Mail and interdepartmental processing was prepared in draft, and is being reviewed by managers and selected user department staff. It is expected to be released in August.

Proposed objectives for FY 90/91

- Automation -- Modify procedures, train staff, and reorganize clerical support functions as needed in conjunction with implementation of the automated procurement system.
- Support to procurement services -- Work with purchasing managers and buyers to review effectiveness of clerical support to buying teams and procurement services as a whole, and to address need for increasing the level of supervision provided by buyers to the clerical staff.
- Payment processing -- Continue expediting user departments to speed up processing of purchase order payments.
- Mail Guidelines -- Complete the development and dissemination Establish guidelines for user departments regarding mail processing and standardization of mailing materials used by departments.
- Satellite reproduction facility/second shift -- Evaluate options for expanding Reproduction capacity, through a satellite facility and/or a second shift.

PURCHASE ORDER PAYMENTS PROCESSING TIME



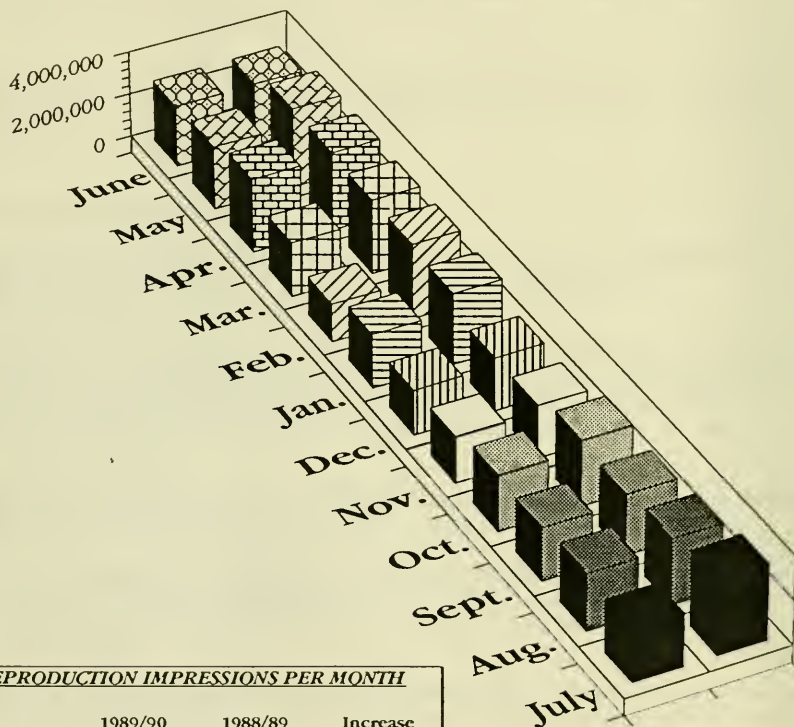
Reproduction Services, Fourth Quarter FY 89/90

Highlights:

In early May, Reproduction surpassed its total printing volume of last fiscal year.

The in-house designed automated accounting system is testing and we expect it to be in partial use for the fiscal year closing.

The paper recycling test has been finished. Recommendations sent to the CAO.



REPRODUCTION IMPRESSIONS PER MONTH

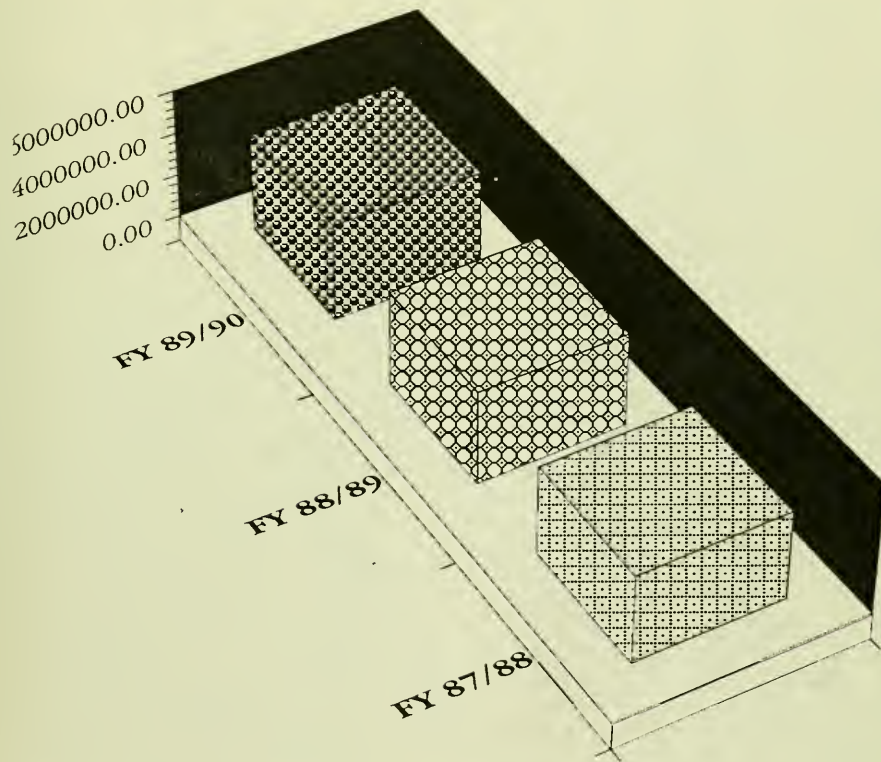
	1989/90	1988/89	Increase
July	3,434,619	2,430,103	1,004,516
Aug.	3,046,246	2,663,574	382,672
Sept.	2,815,205	2,424,138	391,067
Oct.	3,046,312	2,590,027	456,285
Nov.	2,432,740	2,130,822	301,918
Dec.	2,462,895	2,061,343	401,552
Jan.	3,292,333	2,487,605	804,728
Feb.	3,479,252	1,766,751	1,712,501
Mar.	3,479,451	2,529,042	950,409
Apr.	3,651,907	3,440,147	211,760
May	3,675,458	2,910,237	765,221
June	2,862,397	2,834,680	27,717
Total	37,678,815	30,268,469	7,410,346

Mail Services, Fourth Quarter Fiscal Year 89/90

Highlights:

Service to 25 Van Ness has been increased to five departments.

Purchasing, Disease Control, and the Board of Supervisors have converted their mailing lists to Zip-Plus 4. Mail Services will pass on the savings to these Departments (.5 cents per piece).



Pieces of Mail processed in the last three fiscal years

FY 89/90	4501413
FY 88/89	4326260
FY 87/88	4063773

SF
P90
#1
1990/91

S.F. Purchasing Dept
Annual Report

PURCHASING DEPARTMENT QUARTERLY REPORT

FY 90/91, 4th QUARTER

INCLUDING; FY 90/91 YEAR-END REPORT

DOCUMENTS DEPT.

MAY 23 1992

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INTRODUCTION

This report presents, in narrative and graphical form, a perspective of the Purchasing Department's performance during the preceding quarter. It is divided into four sections, one for each of the department's four operating divisions:

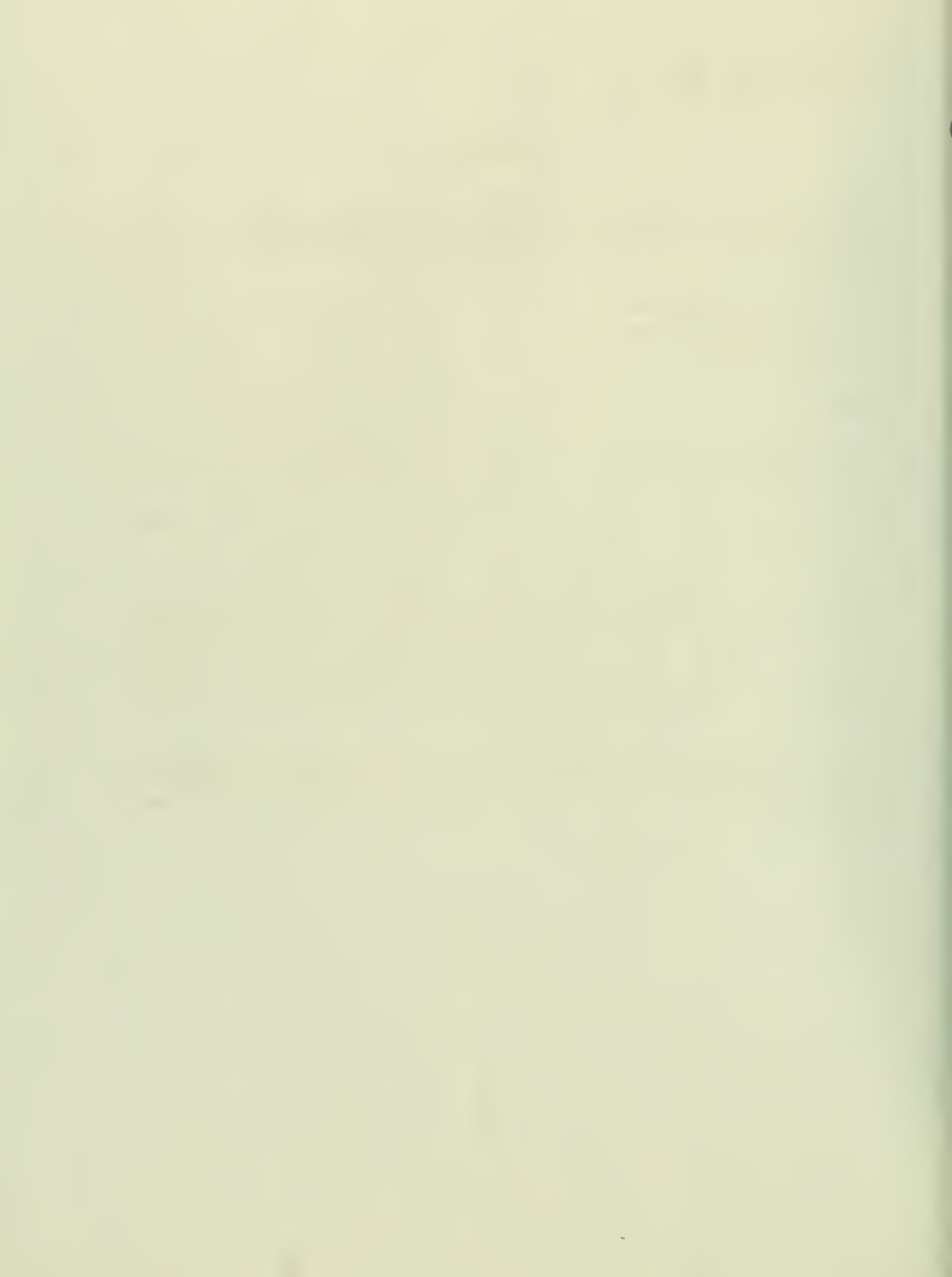
- Procurement Services
- Storekeeping Services
- Central Shops
- Administrative Services

Each section of the report presents:

- a description of the division's major highlights and accomplishments of the preceding quarter;
- comments regarding the division's performance indicators for the quarter;
- graphs and tables of the performance indicators.

The performance indicators are quantitative measures of the department's workloads and performance in meeting those workloads. They are very useful for all employees in understanding where the department has opportunities to improve performance. Presented in the form of graphs and tables, they also illustrate the levels of improvement that the department achieves over time. The managers have established targets for many of the indicators, and they routinely monitor performance in relation to the targets.

Other than Purchasing Department employees, a broad audience for the quarterly reports is the departments that use the Purchasing Department's services. The reports also are reviewed by oversight bodies such as the CAO's Office and the Mayor's Office.



PROCUREMENT SERVICES

4th Quarter Highlights and Accomplishments

- Management Audit conducted by Board of Supervisors Budget Analyst

We prepared a summary of the audit recommendations, and the status of actions to implement the recommendations, for CAO's Office review.

The City Attorney was asked by Supervisor Kennedy to draft legislation to implement the audit recommendations, but has not yet prepared the draft legislation. In the purchasing area, the primary areas such legislation would cover include (see discussion under Storekeeping Services for other audit-related issues):

- Ordinance to establish Purchasing Policy Review Committee.
- Charter amendment, to be developed by the committee, which would include new specific controls for documentation, bidding, and internal audits of procurement and storeroom activities.
- Charter amendment, to be developed by the committee, to allow City departments to issue their own purchase orders without going through the Purchasing Department.
- Amendment to Admin. Code. to require bidding of all purchases above \$100. Current Code requires bidding over \$5,000.

We are already in the process of implementing one recommendation contained in the audit report, which was to reiterate to departments the appropriate use of Direct Payment Vouchers. This will be implemented when we revise the Direct Payment Voucher material in the Purchasing Procedures Manual.

- Budget reductions

The Mayor's Office cut one Senior Clerk Typist position in the Procurement Division as part of the City's budget reduction effort. As indicated to the Mayor's Office, our clerical support resources already are strained.

- Procedures development/training program/legislation/communications

The update to the Purchasing Procedures Manual, Chapter 900, Model Personal Services Contract, was published this quarter.

An updated list of all Term Contracts, including information on commodities, effective dates, and assigned buyer, was distributed to all City departments. Also, a memo was sent to all departments describing all of the satellite units and the commodity assignments in City Hall.



PROCUREMENT SERVICES

One session of the training program for Senior Purchasers and Purchasers was held, covering confirming purchase orders, state and GSA contracts, and negotiation. In addition, several sessions were held with buying staff to discuss organizational, communications, and other staff concerns.

Other activities:

- Began working with MFAC to review of procurement procedures, including term contracting and professional service contracts.
- Continued to work with Buy Recycled Committee and City Attorney on drafts of recycling legislation.
- Final version of Vendor Brochure was submitted to Reproduction for typesetting. Worked with SF Chamber of Commerce, vendors and CAO's office in final review cycle.
- Revised procedures so that Tax Collector would expedite vendors with business tax problems. This moved some of the workload from Purchasing to the Tax Collector, with hope that letters from Tax Collector will be more effective than phone calls from Purchasing.
- Actively participated in Citywide meeting, sponsored by DPH, on how the VDT ordinance affects purchase of chairs, workstations, etc. Sent memo to all departments noting which chairs had been approved by Public Health as complying with new VDT legislation.
- Notified all City departments of Tropical Hardwood Ordinance, and of their responsibilities to justify any exception purchases. Surveyed departments regarding any purchases of subject hardwoods, in preparation for report to the Board submitted in July.

• MBE/WBE participation

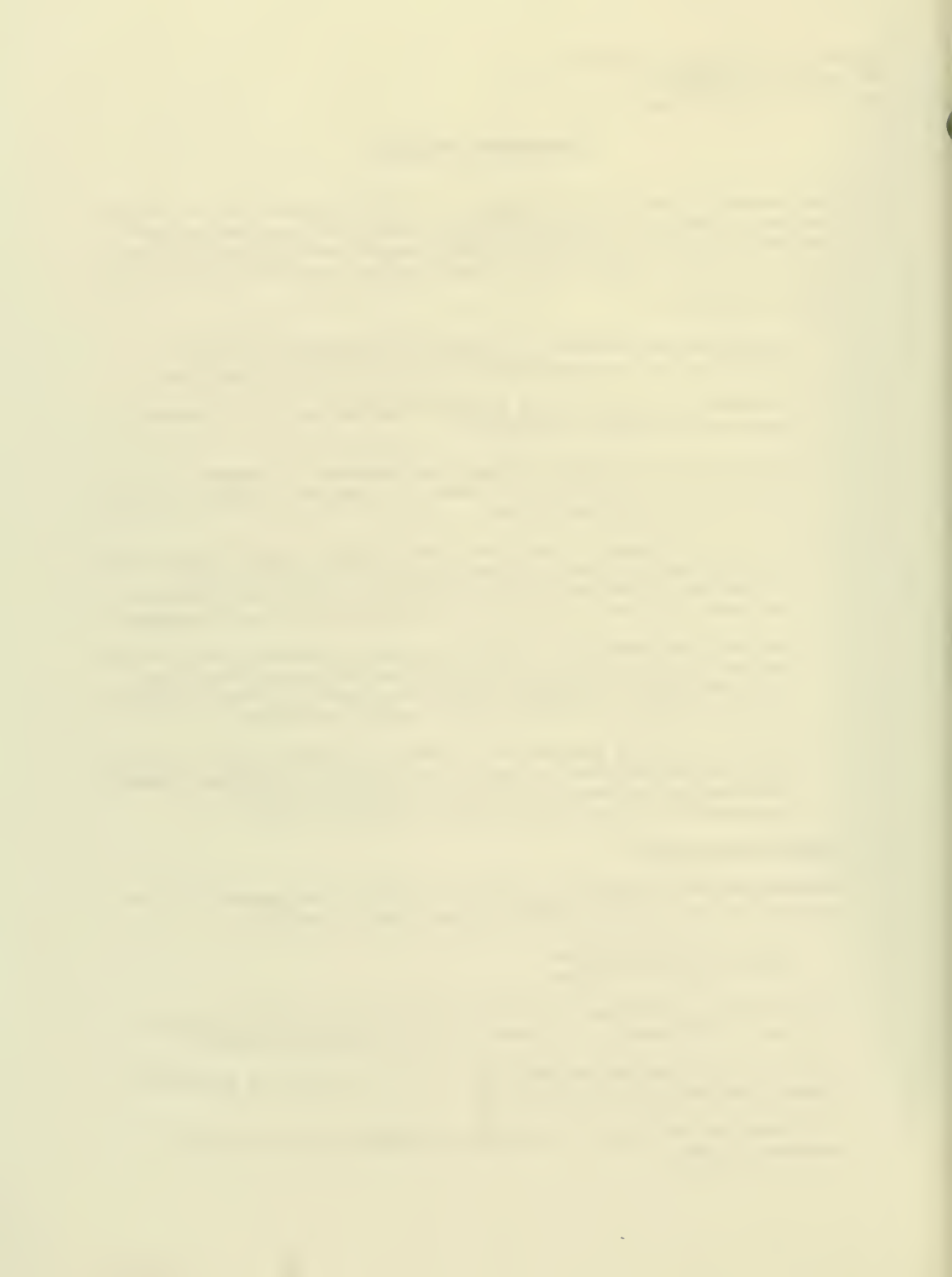
Accompanying this report is a copy of the report to be submitted to the Mayor on Purchasing's MBE, WBE performance, which describes:

- contract dollars awarded
- vendor outreach efforts

We continued to participate in Northern California Purchasing Council's programs for MBE vendors. (formerly Bay Area Purchasing Council)

Comments on the MBE/WBE amendment were sent to the Board of Supervisors Economic and Social Policy Committee.

We actively participated in the Citywide MBE/WBE training program sponsored by HRC.



PROCUREMENT SERVICES

• Procurement System Project

Purchasing's three-year information systems plan was approved by EIPSC.

Work continued on the design for the pilot implementation at the Airport. A draft requirements statement was completed and circulated for review.

Project staff began meeting with staff from the PUC and DPW to get their input on the requirements for the End User Entry functions.

A substantial amount of effort was devoted to working with Civil Service Examination Division staff on the exam for the Coding Specialist class. The exam was completed in May, and interviews were conducted in June. The two selected candidates are scheduled to start on July 22.

Planning continued for participation in the Showcase Project. Meetings with potential Showcase Vendors will probably occur in the first quarter of FY 91/92. At that time, we should get a clearer idea of whether or not the Showcase Project can be a vehicle for developing some of the end user enhancements to the Procurement System.

In other MIS-related activities, we:

- initiated plans to install a PC network in City Hall offices;
- began a project with HRC, DPW, DPH, and other departments to expand use of the Vendor Profile Form to "service" type vendors;
- began working with Central Shops staff to plan selection of fleet management software.

• Recycled materials purchases

Preparatory work was completed for a term contract for recycled paper, but the invitation-for-bid is not yet finalized.

As a test, a bid was awarded for recycled, printed envelopes. No protests were received.

• Contracting

-- Year-end

Most requisitions received were processed by the June 15 deadline, with some departments instructed to request carryforwards on requisitions unable to be processed by that date.



PROCUREMENT SERVICES

- Contracting Specialist. Interviews of four candidates were conducted on June 12. The selected candidate is scheduled to start on July 22.
- New term contracts. Two new term contracts were added during the quarter, one for Parking Meters and associated parts, the other for undercover vehicles.
- Negotiated procurements for LRV's. This is still in process, and the latest offer is currently being evaluated.
- Voice mail. Requests for information were sent out, and responses are being evaluated prior to issuing an RFP.
- Indigent dead. The indigent dead contract, responsibility for which has been transferred from the Health Department to the Coroner's Office, was extended through FY 91/92.

- Space needs

Plans for accommodating new Contracting Specialist and Commodity Coding Specialist employees ran into the problem of space. Office space on the second floor already is being utilized to the maximum, including the former conference room. For the short term, it will be necessary for more people to be located in the former conference room, as well as temporarily vacant work stations to be occupied on as needed basis by other employees.

We are investigating, through the CAO's Office, the possibility of utilizing some recently vacated office space in the basement of City Hall, for approximately a year.

Comments Regarding Performance Indicators

- Regular purchase orders processed and average processing time

The 4th quarter of FY 90/91 did not differ significantly from 4th quarters of prior years, in terms of total document volume. Over 3,000 purchase orders were awarded during the quarter (figures from central office tracking system, do not include PUC and SFGH).

Average processing time was slightly higher than for the 4th quarter of FY 89/90. This may be attributed to a slightly higher relative volume of bid and quotation awards, and slightly less open market purchase awards, during the 4th quarter of FY 90/91 in comparison to prior year.

The level of activity during the 4th quarter (and during the 3rd quarter) is illustrated by the fact that:



PROCUREMENT SERVICES

- over 50% of the bid proposal orders for the entire year were awarded during the 4th quarter;
- nearly 40% of the quotation orders for the entire year were awarded during the 4th quarter.
- MBE/WBE procurement levels

As described in the attached report to be submitted to the Mayor on Purchasing's MBE, WBE, and LBE performance during the 4th quarter, our MBE/WBE procurement levels were 24.3% and 10.7% respectively, for purchase orders made to San Francisco-based firms only, excluding the PUC and SFGH.

The attached report also includes data on SFGH and PUC orders, reported separately from the data for all other locations.

PROCUREMENT SERVICES

Year-end Report

Summary of progress against objectives for FY 90/91

- Staffing issues. Continue to seek resources, either from within the department's current budget, additional general-fund support, and user departments, for increased staffing for special contracts and middle management support.

In the budget process for FY 91/92, we were successful in funding two additional special contracts and middle management positions:

- Contracting Specialist. This position was previously in the budget, but was not funded. In order to fund it, we had to cut one clerical support position and reduce funding for two other positions.
- Additional Supervising Purchaser. In our budget request for FY 88/89, we gave up two central office positions in order to fund this position. Unfortunately, in the budget process, all were cut. We requested general fund support for the position again in the budgets for FY 89/90 and FY 90/91, which was denied.

At last, in the FY 91/92 budget, we succeeded in getting the position approved. Funding is to be provided by each department which has a satellite buying unit, in proportion to the number of purchasers located at each site.

In addition to these positions, two new Purchaser positions were funded, to be dedicated to San Francisco General Hospital.

- Automation. Complete implementation of the automated procurement system at the central office, and begin implementation of the system at satellite units.

The first phase of the Procurement System Project was implemented: Citywide Vendor and Commodity Database. This was done with the Controllers Office and HRC and provides a common city vendor file.

The approach for the remainder of the system implementation was revised as part of our 91/92 EIPSC Master Plan. Originally the department planned to implement remaining functions in our City Hall Offices first, and defer decentralized and departmental use. Instead we are working with the Airport as a pilot site for phased implementation for both purchasing and end user functions.

A tentative project schedule for FY 91/92 is attached.

PROCUREMENT SERVICES

- Consolidating contracts. Continue to direct existing staff and focus additional staff as available on the consolidation of contracts Citywide.

New contracts accomplished with existing staff in FY 91/92 included:

- Custom packs, SFGH
- Parking meters and parts
- Undercover vehicles
- consolidation of three major drug contracts

Additional staffing was not available in FY 90/91 to focus on formulation of new contracts. With the filling of the Contracting Specialist position, and the addition of a Supervising Purchaser for the satellite units and two Purchasers for SFGH, there will be additional resources to support efforts in this area in FY 91/92.

- MBE/WBE participation. Encourage and promote participation in City contracts by minority-owned and women-owned vendors, through a combination of vendor and user department outreach and bid preferences. In particular, design and implement a buyer incentive program to encourage buyers to increase the level of MBE/WBE participation in the department's procurement activities.

We participated in numerous trade fairs, conferences, and other outreach opportunities throughout the year, resulting in nearly 1500 new vendor contacts. Events attended included:

- Mayor's Office of Business and Economic Development, Workshop on "Landing the Trillion Dollar Customer: Selling to the Government"
- Northern California Purchasing Council, Minority Business Opportunity Day
- Minority Business Development Agency, MED Week '90 Reception
- San Francisco Chamber of Commerce, Chamber Fair '90
- Northern California Government Suppliers Show
- Industry Council for Small Business Development, Fair

A partial list of major awards over \$100,000 made to MBEs and WBEs is attached to this report. Excluding PUC and SFGH purchasing, the department awarded 26.6% of all dollars spent in San Francisco to MBE firms, and 10% to WBE firms. This included both purchase orders and TPAs, and excludes approved waivers.

A complete buyer incentive plan has been drafted for management review.

ORIGINAL ARTICLES

THE ANTHROPOLOGY OF THE
MOUNTAINS OF THE HIMALAYAS

BY THE REV. J. H. B. HARRIS, D.D., F.R.S.

Part I. The Physical Geography of the Himalayas

Part II. The Geology of the Himalayas

Part III. The History of the Himalayas
Part IV. The Flora of the Himalayas

Part V. The Fauna of the Himalayas
Part VI. The Human Races of the Himalayas

Part VII. The Languages of the Himalayas
Part VIII. The Religions of the Himalayas

Part IX. The Customs of the Himalayas
Part X. The Literature of the Himalayas

Part XI. The Art of the Himalayas
Part XII. The Music of the Himalayas

Part XIII. The Dance of the Himalayas
Part XIV. The Games of the Himalayas

Part XV. The Games of the Himalayas

PROCUREMENT SERVICES

- Procedures development. Continue preparation of Procurement Manual.

We published the following instructions:

- revision to Record Management
- Disaster Planning and Earthquake Preparedness
- Insurance and Bonding

Publish further updates to the user department manual.

Published major revisions to:

- Chapter 200, "Guide to City Procurement and Payment Processes"
- Chapter 400, "The Requisition for Purchase Order"
- Chapter 900's Model Personal Services Contract
- Appendix A, "List of Term Contracts"

Publish the brochure "How to do Business with the City."

The brochure was submitted to Reproduction for typesetting, but has not yet been published.

Work with City Attorney to review, update, and standardize more contracts and forms used by Purchasing and other departments.

We revised the Model Personal Services Contract, Purchase Order, and Contract Proposals to update South Africa provisions and add Tropical Hardwood Ban provision. Revision began to Model Lease Attachment.

- Buyer training. Continue the program of biweekly training sessions for the buying staff.

Fifteen training sessions were conducted during the year, covering a wide variety of technical subjects and issues.

- User department training. Conduct training for user department staff on purchasing policies and procedures, with special emphasis on purchase planning.

It was not possible to develop and conduct a user department training program during FY 90/91, due to other higher-priority demands and departmental workload.

A possibility, discussed briefly with Civil Service's Director of Training, is to incorporate purchasing-related topics into a general City operations training program to be coordinated by the Civil Service Training Unit. We will explore this possibility, which would include the Controller's Office, in FY 91/92.

THEORY OF THE EARTH

The theory of the earth is a branch of geology which deals with the origin and development of the earth and its various parts.

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PROCUREMENT SERVICES

- Workload distribution and smoothing. Reduce the degree of purchasing workload concentration at the end of the fiscal year, and spread the workload out more evenly over the year, by:
 - encouraging user departments to plan and monitor their purchasing needs over the course of the year, so as to avoid submitting a barrage of requisitions at the end;
 - informing user departments early in the year of specific deadlines for submitting requisitions, by type of commodity;
 - enforcing deadlines as much as possible.

We were not able to devote the amount of time required to address this issue during FY 90/91; no reduction was achieved in the degree to which the purchasing workload was concentrated at the end of the fiscal year. As shown in the accompanying graphs (which do not include PUC and SFGH orders):

- one-third of the year's purchase orders were processed during the 4th quarter;
- less than one-fifth of the orders were processed during the 1st quarter;
- one-fourth were processed in each of the middle quarters.

Departments continue to leave a substantial portion of their purchasing demands to the last quarter of the year, due to lack of departmental planning and other factors. Two things that might help change this problem would be for Purchasing to:

- provide training to departments on planning their purchases earlier in the year;
- identifying departments that are the worst in terms of year-end purchasing, and working directly with those departments.

As indicated previously, Purchasing was not able to conduct training for user departments in FY 90/91, but is planning to provide training, in conjunction with the Civil Service Training Unit and/or the Controller's Office, in FY 91/92.

Some progress was made in two areas related to this issue:

- We began staggering the term contract expiration dates, to spread out the associated workload.



PROCUREMENT SERVICES

-- We are working with the Controller's Office to obtain data from BPREP and FAMIS regarding approved equipment budgets; such data will be useful for purposes of forecasting and planning equipment purchases by departments.

- Management audit. Respond to findings and recommendations resulting from Budget Analyst management audit.

The final draft report of the Board of Supervisors Budget Analyst Management Audit of the department's procurement functions was received in February. The report, with Purchasing's response, was issued in March.

As described in the previous section pertaining to the 4th quarter, the City Attorney was asked by Supervisor Kennedy to draft legislation to implement the report's recommendations. The City Attorney has not yet prepared this draft legislation. We are in the process of implementing one recommendation contained in the audit report, which was to reiterate to departments the appropriate use of Direct Payment Vouchers. (see discussion under Storekeeping Services for other audit-related issues)

Proposed objectives for FY 91/92

- Organization and staffing:

-- Hire second Supervising Purchaser.

-- Hire new Contracting Specialist, two Purchasers dedicated to SFGH, and Purchaser for DPW Water Pollution Control.

-- Continue buyer rotation.

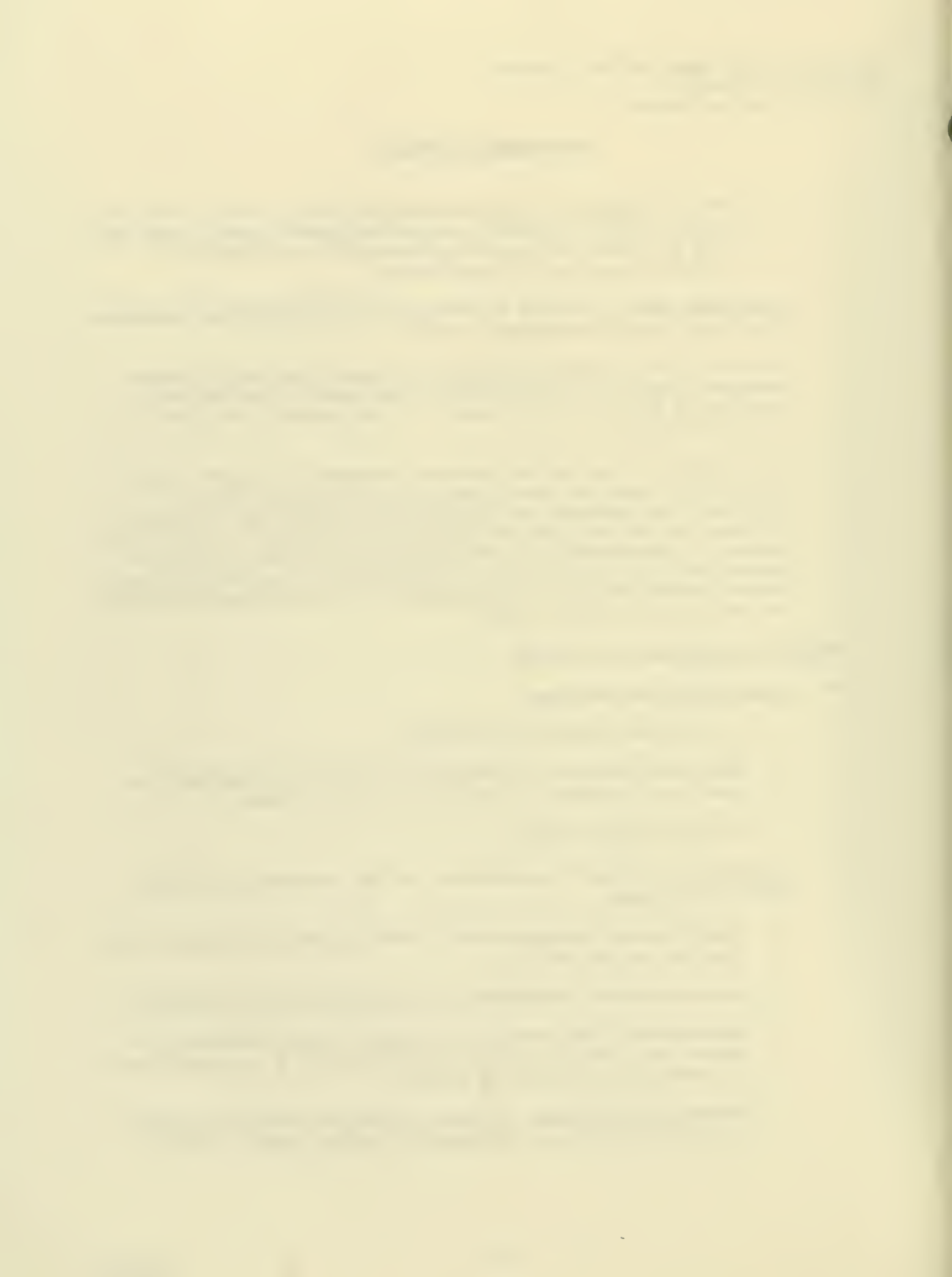
- Automation. Continue implementation of the automated procurement system, including:

-- completion of implementation of core functions at Airport pilot site and central office;

-- development and implementation of expanded end user modules;

-- development of encumbrance and payment-related interfaces to Controller systems, contingent on Controller's long-term plans to develop a new financial system;

-- continued development of modules requiring input from the HRC system, contingent on staffing and funding support from HRC.



PROCUREMENT SERVICES

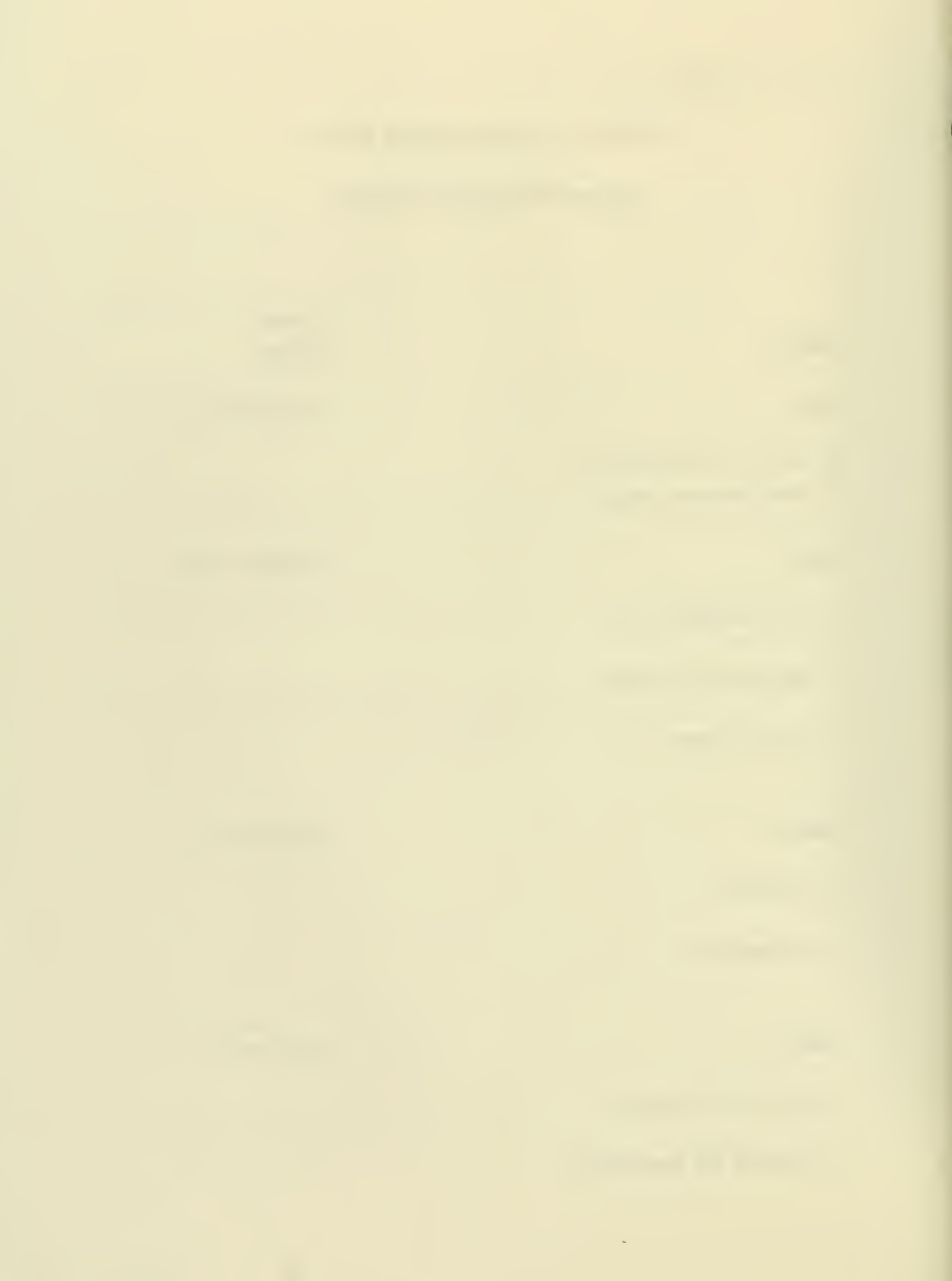
- Procedures development. Continue:
 - preparation of the Procurement Manual;
 - revisions to Purchasing Procedures Manual for user departments;
 - revision of the City's contractual documents;
 - monitoring progress of legislation, and implementing procedural changes as necessary.
- Consolidating contracts. Continue to focus on the consolidation of contracts Citywide.
- MBE/WBE participation. Continue outreach efforts, and complete development and implementation of buyer incentive program.
- Buyer training. Continue the training program for the buying staff.
- User department training. Conduct training for user department staff on purchasing policies and procedures, with special emphasis on purchase planning.
- Planning of equipment purchases. Obtain data from Controller's Office systems regarding approved equipment budgets for FY 91/92, and analyze if this information can be used to forecast and plan equipment purchases by City departments.



AUTOMATED PROCUREMENT SYSTEM PROJECT

Revised Implementation Phases

<u>Phase B</u>	Target <u>Dates</u>
<u>Part 1</u>	August 1991
o RPO, Bid Processing and Pilot implementation	
<u>Part 2</u>	December 1991
o Term Contracts, PO,	
o Encumbrance Interface	
o End User Query	
<u>Phase C</u>	January 1992
o Receiving	
o Bid Analysis	
<u>Phase D</u>	June 1992
o PO Invoice Matching	
o Expanded End User Update	



Major Awards to MBEs and WBEs
1990-91

During the year the department made many significant awards to MBEs and WBEs. The largest of these are listed here. Many of these awards were made on term contracts where the department has not traditionally had MBE or WBE participation. This is a partial list of awards over \$100,000.

Transocean Funding, Inc.	Lease of Fire Engines	\$2,000,000
SF Independent	Official Advertising	\$ 600,000
General Supply Centennial Distributors Sunwest Sales California Brake & Clutch	Motor Coach & Trolley Parts	\$1,275,000 (split award)
Eldorado Meat (Hop Sang)	Meat, Fish & Poultry (12 monthly awards)	\$ 960,000
Clean Master	Food Containers, Utensils and Disposable Diet Kits	\$ 463,890
Centennial Distributors Alexandria Medical Lucy's Sales Bay Area Surgical	Medical & Surgical Supplies	\$ 948,638 (split award)
Fairway Janitorial	Janitorial & Window Cleaning	\$ 280,932
Alexandria Medical	Medical & Surgical	\$ 233,756
Link International	Pipe & Pipe Fittings	\$ 225,192
West Coast Maintenance	Window Washing	\$ 206,275
Sonoma Ford (registered)	Cars & Trucks	\$ 101,044
Ellis Brooks (registered)	Cars & Trucks	\$ 193,256
McCauley Tool (registered)	Power & Hand Tools	\$ 320,000



July 15, 1991

To : Mayor Art Agnos

Through: Rudolf W. Wuthenberg
Chief Administrative OfficerFrom : M. W. Geistlinger
Director of Purchasing

Subject: 4th Quarter 90-91 MBE/WBE Report

Enclosed is the Purchasing Department's MBE/WBE report for the fourth quarter of 90-91. Consistent with the format of our previous reports, purchase order and term purchase agreement transactions are totalled and then reported separately, as follows:

Page 1(a) Total purchase orders and TPA's (Central Office)
Page 1(b) Purchase order data only (Central Office)
Page 1(c) TPA data only (Central Office)
Page 1(d) PUC purchase order and TPA data for Fiscal Year 1990-91
Page 1(e) SFGH purchase order and TPA data for the 4th Quarter

All these pages report on overall spending and on spending within San Francisco.

Purchasing continues the reporting methods we used under the old Ordinance. Transactions we handle for other departments are reflected mainly in the purchase order data. Transactions where Purchasing is the ultimate consumer are reported in Question 8 on page 2. As noted on line 1(b) on the first five pages, we continue to exclude transactions where the vendor selection is within the purview of the requesting department.

The enclosed report contains data for procurements made by all Purchasing locations, including PUC and SFGH satellite operations which were not reported in previous reports. Data for PUC and SFGH are reported separately. Because of differences in the way that PUC keeps its data, we were not able to present 4th quarter data only. Instead, for PUC only, we have presented a report for the 12 month fiscal period. Detailed printouts of awards made to MBEs and WBEs are available.

If I can provide any additional information, please let me know.

MHG:bk

Enclosures

cc: (with enclosures)
Claude Everhart
Edwin Lee

7403G



4TH QUARTERLY REPORT ON GOOD FAITH EFFORTS

DEPARTMENT/AGENCY FILING REPORT Purchasing Department
 NAME OF PERSON FILING REPORT Ben Kawamura
 TELEPHONE NUMBER 554-6749
 FOR PERIOD COVERING April to June 1991
4th Quarter 1990-91

	<u>SF ONLY</u>	<u>BAY AREA</u>
1. TOTAL CONTRACT DOLLARS AWARDED BY DEPARTMENT, AGENCY, BOARD, COMMISSION	\$ 8,123,987	\$ 15,661,153
a. CONTRACT DOLLARS AWARDED TO NON-PROFITS	-0-	-0-
b. CONTRACT DOLLARS AWARDED BASED ON WAIVERS, EXCLUSIONS, SOLE-SOURCE (PROPRIETARY, SPECIAL SERVICES, OMP)	[\$ 1,360,037]	[\$ 3,266,899]
NET TOTAL (1 minus a & b)	\$ <u>6,763,950</u>	\$ <u>12,394,254</u>
2. PRIME CONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE)	\$ 1,643,367	\$ 1,785,867
PERCENTAGE OF NET TOTAL	<u>24.3%</u>	<u>14.4%</u>
a. SAN FRANCISCO-BASED BUSINESSES	\$ 1,643,367	\$ 1,643,367
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	\$ 142,500
3. PRIME CONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE)	\$ 724,251	\$ 913,647
PERCENTAGE OF NET TOTAL	<u>10.7%</u>	<u>7.3%</u>
a. SAN FRANCISCO-BASED BUSINESSES	\$ 724,251	\$ 724,251
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	\$ 189,396
4. SUBCONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO BASED BUSINESSES	-0-	-0-
5. SUBCONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	-0-

Note: This report covers total expenditures on purchase orders and term purchase agreements.

4TH QUARTERLY REPORT ON GOOD FAITH EFFORTS

DEPARTMENT/AGENCY FILING REPORT Purchasing Department
 NAME OF PERSON FILING REPORT Ben Kawamura
 TELEPHONE NUMBER 554-6749
 FOR PERIOD COVERING April to June 1991
4th Quarter 1990-91

	SF ONLY (PO)	BAY AREA (PO)
1. TOTAL CONTRACT DOLLARS AWARDED BY DEPARTMENT, AGENCY, BOARD, COMMISSION	\$ 7,412,534	\$14,016,609
a. CONTRACT DOLLARS AWARDED TO NON-PROFITS	-0-	-0-
b. CONTRACT DOLLARS AWARDED BASED ON WAIVERS, EXCLUSIONS, SOLE-SOURCE (PROPRIETARY, SPECIAL SERVICES, OMP)	[\$ 1,164,037]	[\$ 3,012,899]
NET TOTAL (1 minus a & b)	\$ <u>6,248,497</u>	\$ <u>11,003,710</u>
2. PRIME CONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE)	\$ 1,605,301	\$ 1,747,801
PERCENTAGE OF NET TOTAL	<u>25.7%</u>	<u>15.8%</u>
a. SAN FRANCISCO-BASED BUSINESSES	\$ 1,605,301	\$ 1,605,301
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	\$ 142,500
3. PRIME CONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE)	\$ 674,251	\$ 863,647
PERCENTAGE OF NET TOTAL	<u>10.8%</u>	<u>7.8%</u>
a. SAN FRANCISCO-BASED BUSINESSES	\$ 674,251	\$ 674,251
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	\$ 189,396
4. SUBCONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO BASED BUSINESSES	-0-	-0-
5. SUBCONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	-0-

Note: This page covers total expenditures on purchase orders only.

4TH QUARTERLY REPORT ON GOOD FAITH EFFORTS

DEPARTMENT/AGENCY FILING REPORT Purchasing Department
 NAME OF PERSON FILING REPORT Ben Kawamura
 TELEPHONE NUMBER 554-6749
 FOR PERIOD COVERING April to June 1991
4th Quarter 1990-91

	<u>SF ONLY (TPA)</u>	<u>BAY AREA (TPA)</u>
1. TOTAL CONTRACT DOLLARS AWARDED BY DEPARTMENT, AGENCY, BOARD, COMMISSION	\$ 711,453	\$ 1,644,544
a. CONTRACT DOLLARS AWARDED TO NON-PROFITS	-0-	-0-
b. CONTRACT DOLLARS AWARDED BASED ON WAIVERS, EXCLUSIONS, SOLE-SOURCE (PROPRIETARY, SPECIAL SERVICES, OMP)	[\$ 196,000]	[\$ 254,000]
NET TOTAL (1 minus a & b)	\$ <u>515,453</u>	\$ <u>1,390,544</u>
2. PRIME CONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE)	\$ 38,066	\$ 38,066
PERCENTAGE OF NET TOTAL	<u>7.3%</u>	<u>2.7%</u>
a. SAN FRANCISCO-BASED BUSINESSES	\$ 38,066	\$ 38,066
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	\$ -0-
3. PRIME CONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE)	\$ 50,000	\$ 50,000
PERCENTAGE OF NET TOTAL	<u>9.7%</u>	<u>3.6%</u>
a. SAN FRANCISCO-BASED BUSINESSES	\$ 50,000	\$ 50,000
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	\$ -0-
4. SUBCONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO BASED BUSINESSES	-0-	-0-
5. SUBCONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	-0-

Note: This report covers total expenditures on term purchase agreements only.

4TH QUARTERLY REPORT ON GOOD FAITH EFFORTS

DEPARTMENT/AGENCY FILING REPORT Purchasing Department - PUC Satellite (PO & TPA)
 NAME OF PERSON FILING REPORT Ben Kawamura
 TELEPHONE NUMBER 554-6749
 FOR PERIOD COVERING Fiscal Year 1990-91

	<u>\$F ONLY</u>	<u>BAY AREA</u>
1. TOTAL CONTRACT DOLLARS AWARDED BY DEPARTMENT, AGENCY, BOARD, COMMISSION	\$47,075,431	\$60,541,936
a. CONTRACT DOLLARS AWARDED TO NON-PROFITS	-0-	-0-
b. CONTRACT DOLLARS AWARDED BASED ON WAIVERS, EXCLUSIONS, SOLE-SOURCE (PROPRIETARY, SPECIAL SERVICES, OMP)	[\$10,352,917]	[\$11,416,586]
NET TOTAL (1 minus a & b)	<u>\$36,722,514</u>	<u>\$49,125,350</u>
2. PRIME CONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE)	\$ 2,725,788	\$ 2,933,408
PERCENTAGE OF NET TOTAL	<u>7.4%</u>	<u>5.9%</u>
a. SAN FRANCISCO-BASED BUSINESSES	\$ 2,725,788	\$ 2,725,788
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	\$ 207,620
3. PRIME CONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE)	\$ 261,795	\$ 261,795
PERCENTAGE OF NET TOTAL	<u>.7%</u>	<u>.5%</u>
a. SAN FRANCISCO-BASED BUSINESSES	\$ 261,795	\$ 261,795
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	-0
4. SUBCONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO BASED BUSINESSES	-0-	-0-
5. SUBCONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	-0-

Note: 1. This report covers total expenditures for PUC on Term Purchase Agreements and Purchase Orders for Fiscal Year 1990-91.

4TH QUARTERLY REPORT ON GOOD FAITH EFFORTS

DEPARTMENT/AGENCY FILING REPORT Purchasing Department - SFGH Satellite (Equipment and Supplies)NAME OF PERSON FILING REPORT Ben Kawamura / Marijane Pierson (SFGH)
TELEPHONE NUMBER 554-6749 821-5315FOR PERIOD COVERING April to June 1991
4th Quarter 1990-91

	<u>SF ONLY</u>	<u>BAY AREA</u>
1. TOTAL CONTRACT DOLLARS AWARDED BY DEPARTMENT, AGENCY, BOARD, COMMISSION	\$ 992,645	\$ 2,924,712
a. CONTRACT DOLLARS AWARDED TO NON-PROFITS	-0-	-0-
b. CONTRACT DOLLARS AWARDED BASED ON WAIVERS, EXCLUSIONS, SOLE-SOURCE (PROPRIETARY, SPECIAL SERVICES, OMP)	[\$ -0-]	[\$ -0-]
NET TOTAL (1 minus a & b)\$	\$ 992,645	\$ 2,924,712
2. PRIME CONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE)	\$ 578,498	\$ 578,498
PERCENTAGE OF NET TOTAL	58.0%	19.8%
a. SAN FRANCISCO-BASED BUSINESSES	\$ 578,498	\$ 578,498
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	\$ -0-
3. PRIME CONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE)	\$ 137,969	\$ 137,969
PERCENTAGE OF NET TOTAL	14.0%	4.7%
a. SAN FRANCISCO-BASED BUSINESSES	\$ 137,969	\$ 137,969
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
4. SUBCONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO BASED BUSINESSES	-0-	-0-
5. SUBCONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	-0-

Note:

1. This report covers total expenditures for equipment and supplies for SFGH.
2. SFGH data does not distinguish the type of document on which the purchase is made, i.e., purchase order or term purchase agreement.
3. This data is collected and reported to the Purchasing Department by SFGH Materiel Management staff.

6. Other contract dollars awarded to MBEs, WBEs and LBEs, joint ventures and those that allowed departmental discretion in the selection of vendors.

This quarter the Buying Division made several large awards to MBEs and WBEs on term contracts. The most significant awards are as follows:

Power and Hand Tools	\$320,000 (MBE)	Bernie Savant
Official Advertising	\$500,000 (MBE)	J. Louie/B. Jones
Medical & Surgical	\$292,184 (MBE)	Trudye Byars
Cars and Trucks	\$101,044 (MBE)	Marc Buchalter
Cars and Trucks	\$193,256 (WBE)	Marc Buchalter
Meat, Fish & Poultry	\$264,091 (MBE)	Beth Tison
Dairy Products & Eggs	\$ 92,162 (WBE)	Beth Tison
Trucks	\$ 56,174 (WBE)	Bob Fleming
Handguns	\$ 66,174 (MBE)	Bob Fleming
Window Cleaning	\$ 49,988 (MBE)	Randy Williams
Antifreeze	\$ 64,862 (MBE)	Joe Sealy
Printing	\$ 65,000 (MBE)	Jeannie Louie
Fresh Fruit & Produce	\$ 45,826 (WBE)	Beth Tison
Fresh Fruit & Produce	\$ 45,792 (MBE)	Beth Tison

7. Description of efforts to locate and bring into contracting system certified MBEs and WBEs and LBEs.

MBE Unit staff attended the Industry Council for Small Business Development Procurement Fair in Santa Clara. The fair is an annual event organized by the council to promote small and minority business development. Staff identified 105 new vendors at this event.

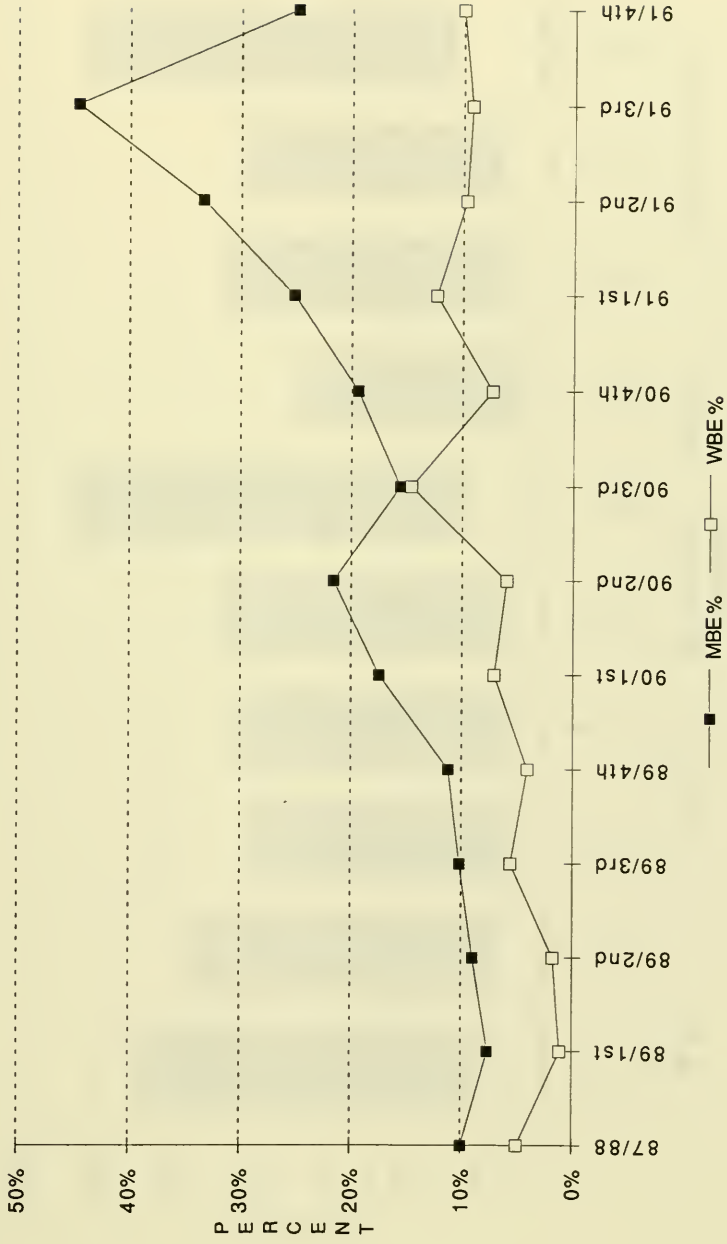
8. Description of efforts to use MBEs and WBEs in day-to-day services of the department, agency, board or commission.

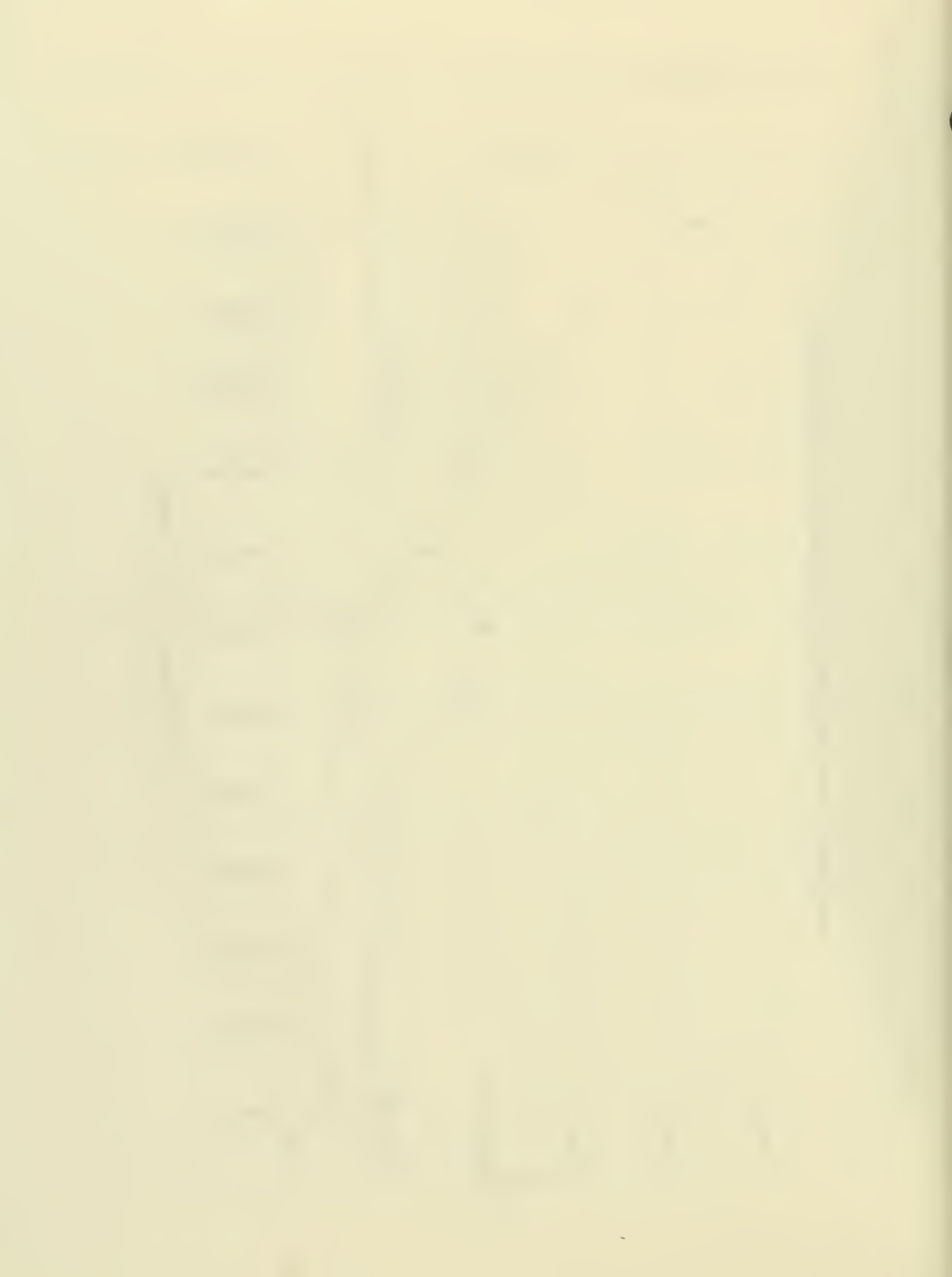
See 3rd Quarter Report

9. Ideas for improving performance and what assistance your department needs to involve more MBEs, WBEs and LBEs.

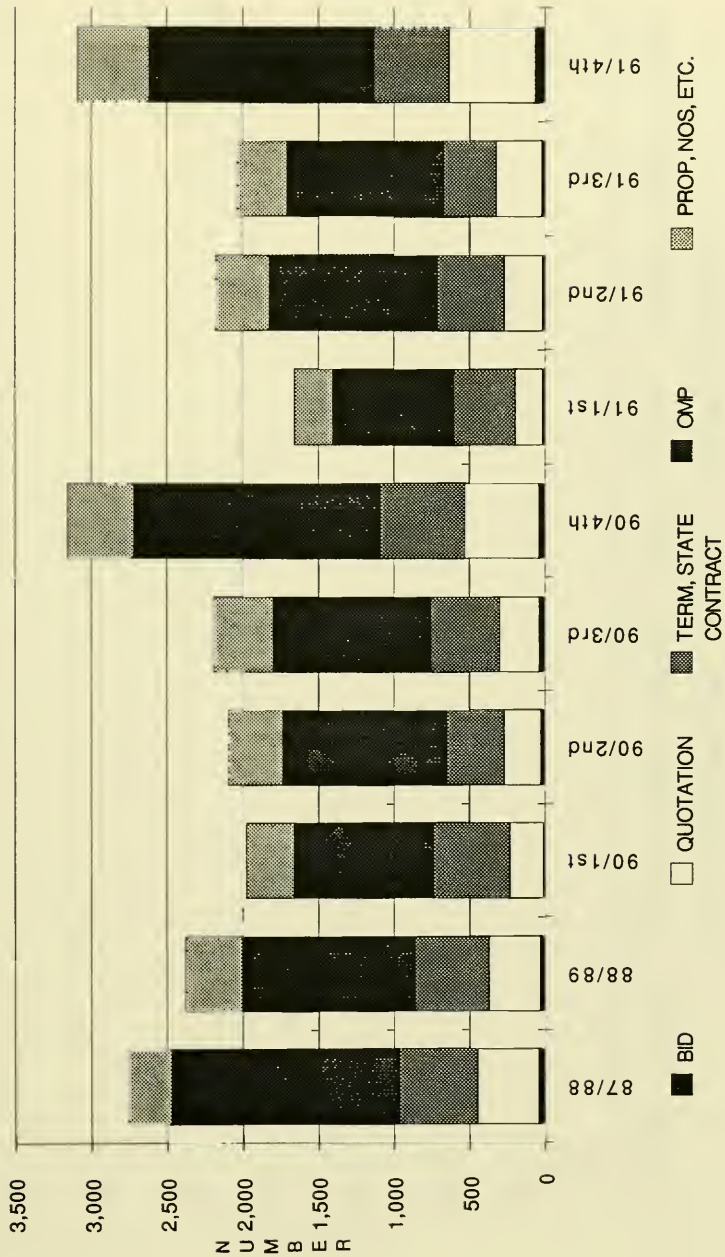
See 1st Quarter Report

PERCENTAGE OF PURCHASE ORDER DOLLARS AWARDED TO MBE/WBE FIRMS

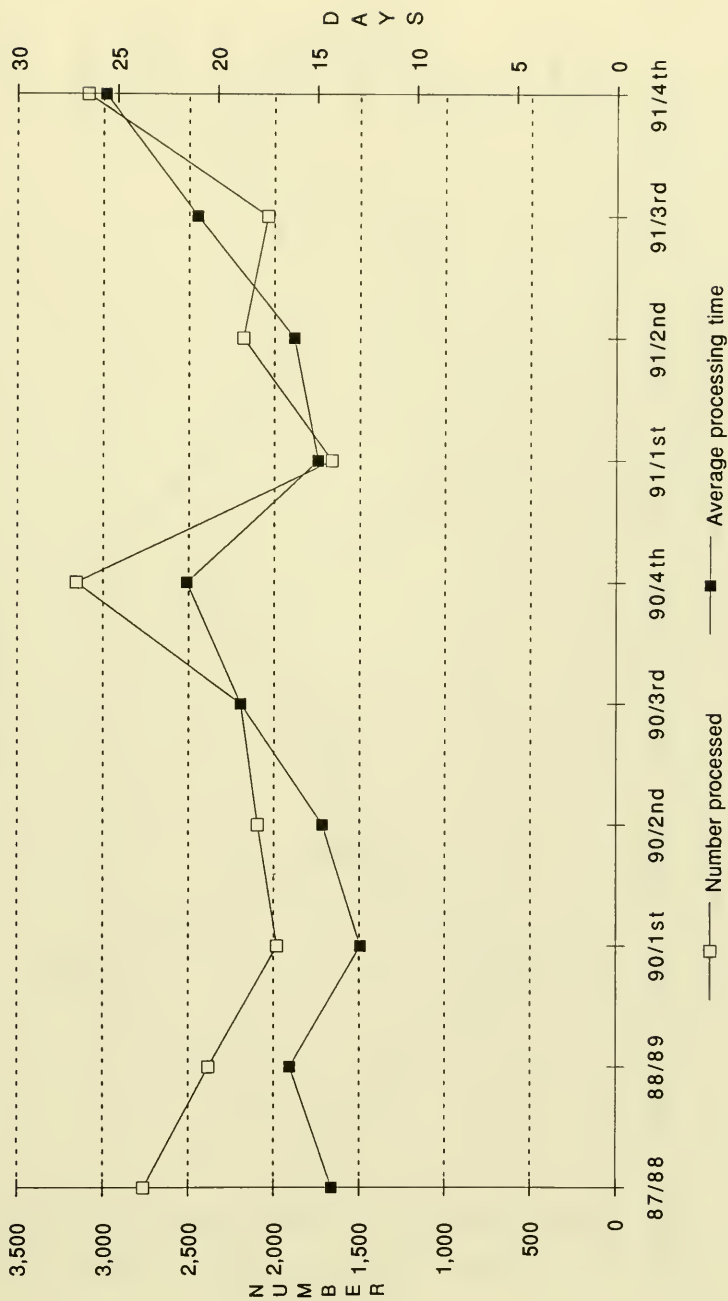


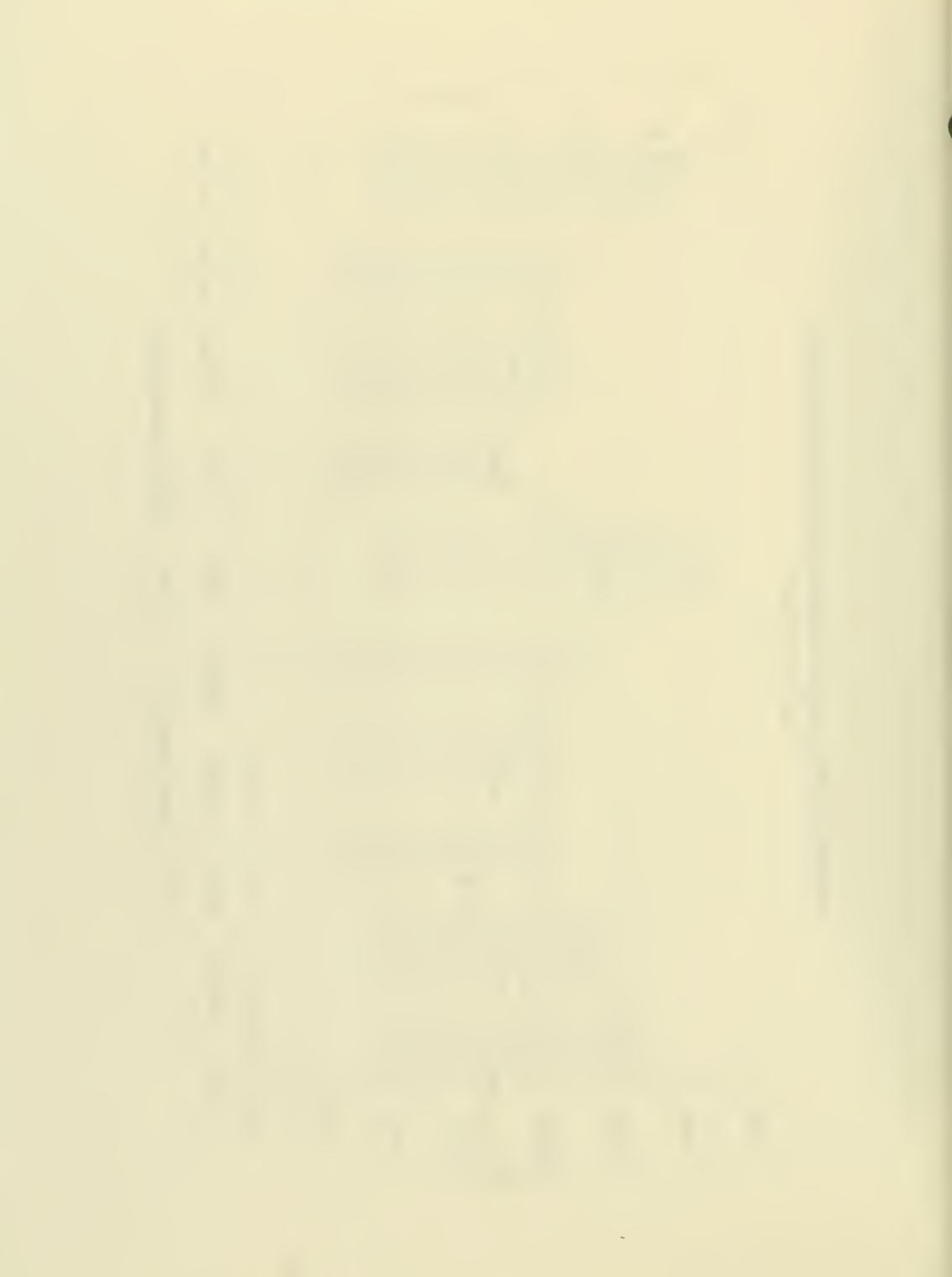


PURCHASE ORDER DOCUMENT VOLUME BY AUTHORITY



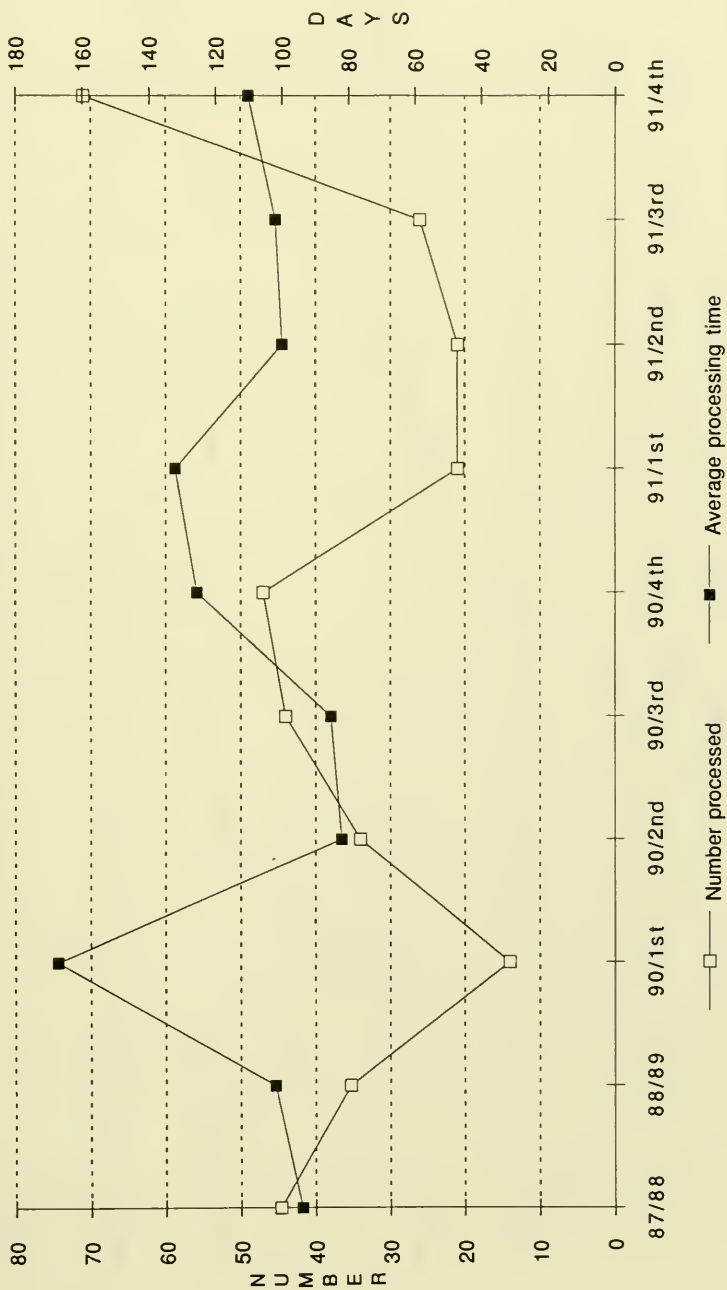
PURCHASE ORDER DOCUMENT VOLUME AND AVERAGE PROCESSING TIME ALL AUTHORITIES





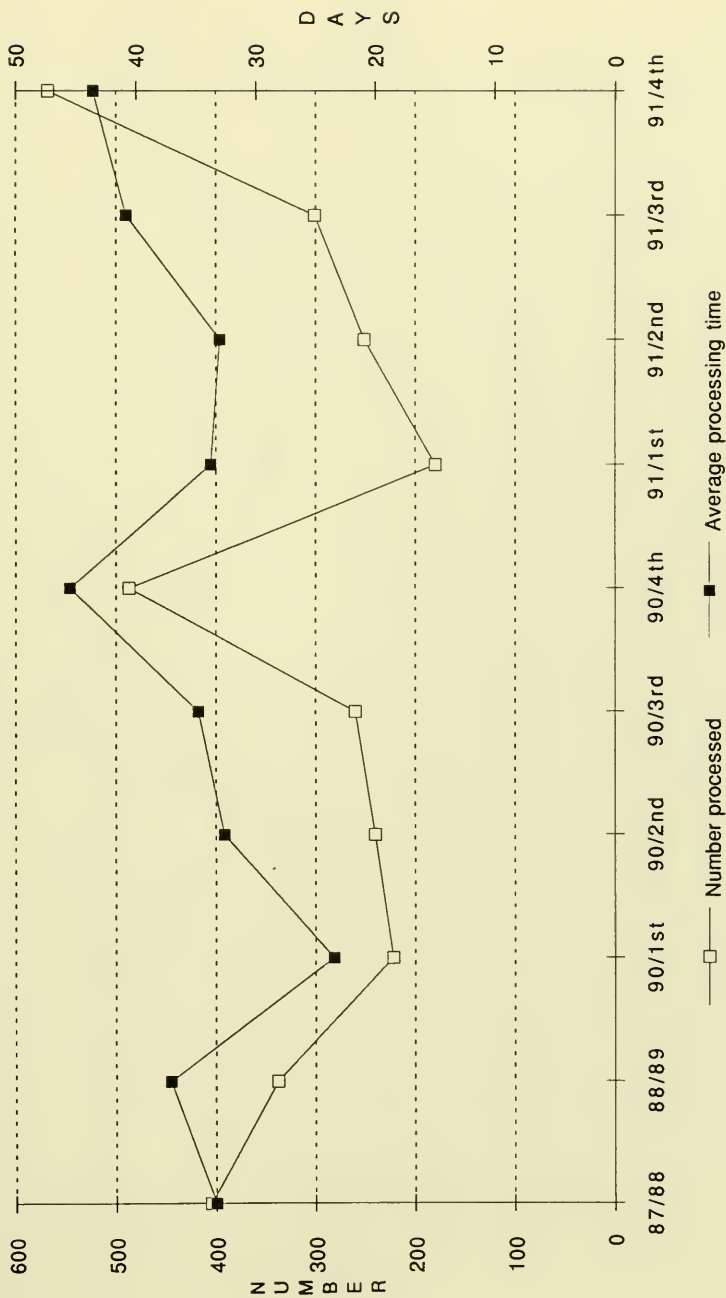
PURCHASE ORDER DOCUMENT VOLUME AND AVERAGE PROCESSING TIME

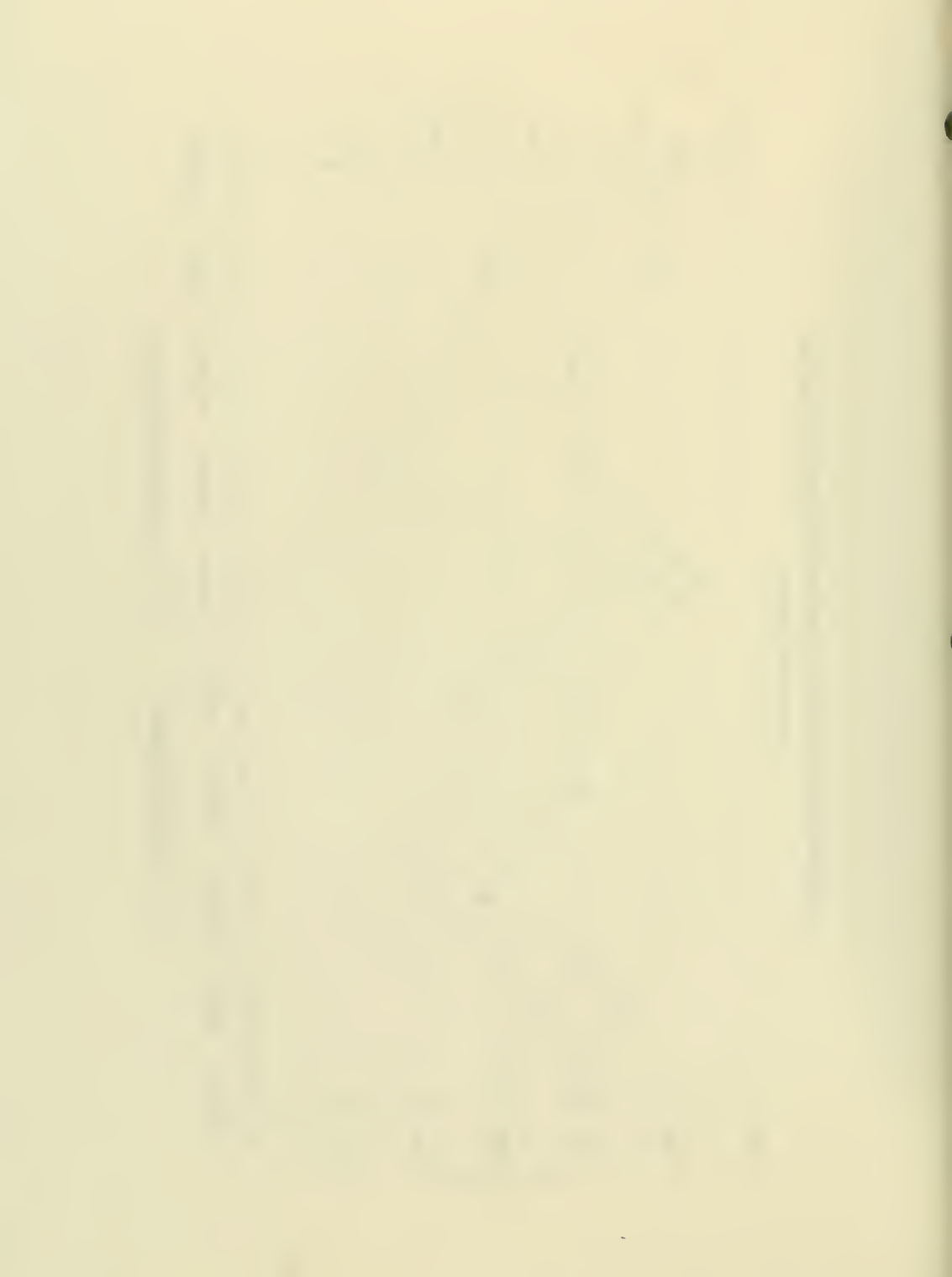
BID PROPOSAL ORDERS



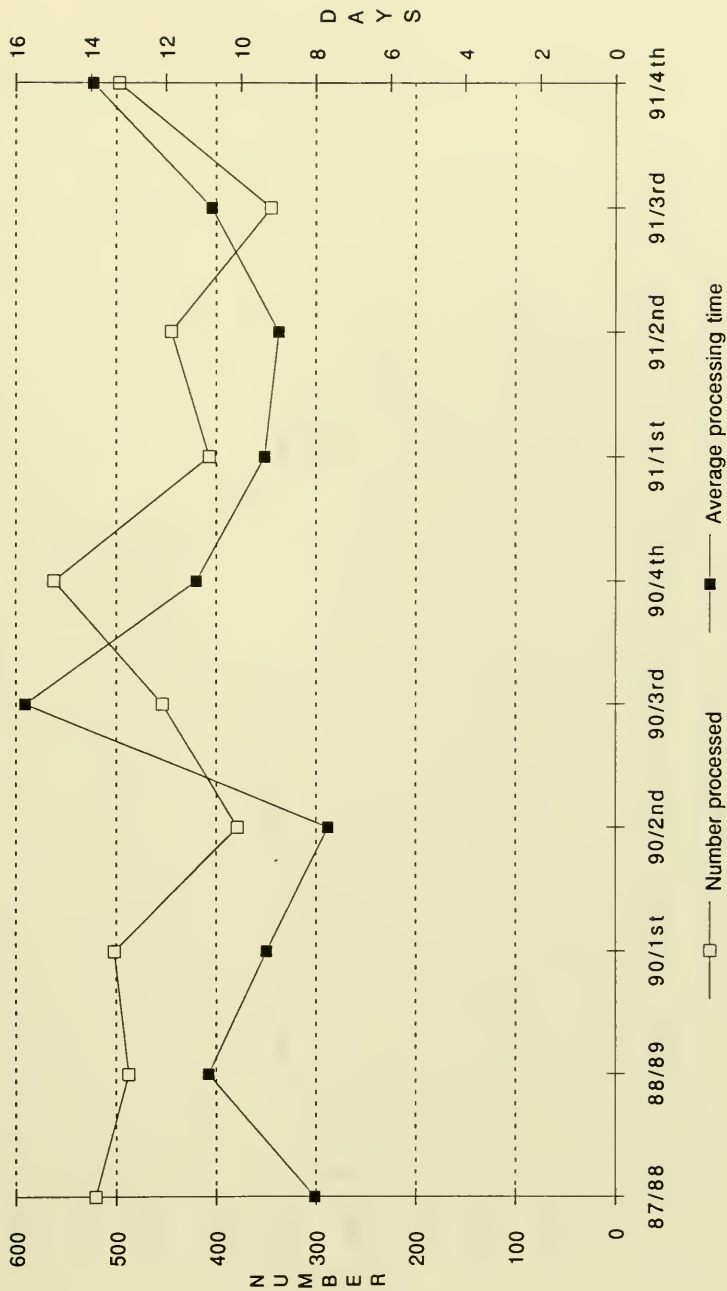


PURCHASE ORDER DOCUMENT VOLUME AND AVERAGE PROCESSING TIME QUOTATION ORDERS



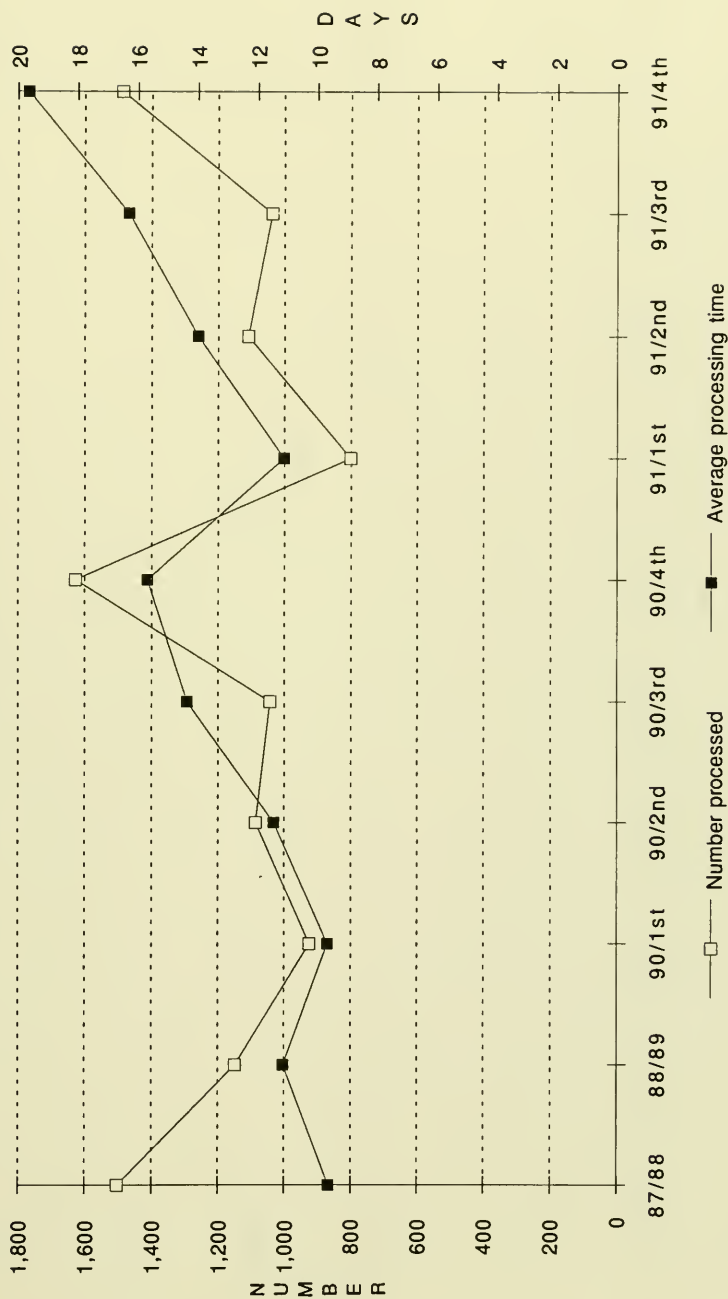


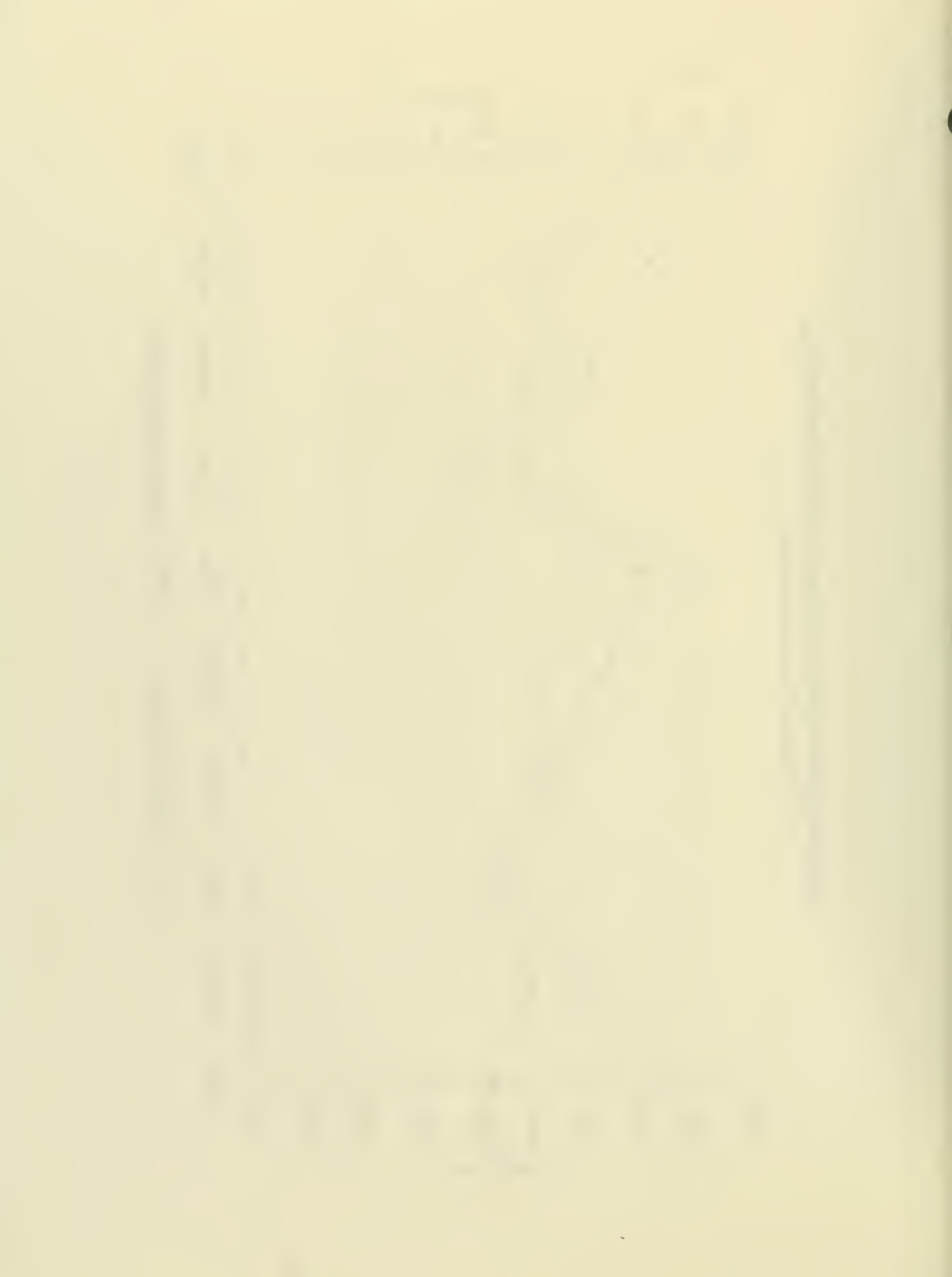
PURCHASE ORDER DOCUMENT VOLUME AND AVERAGE PROCESSING TIME TERM CONTRACT AND STATE CONTRACT ORDERS



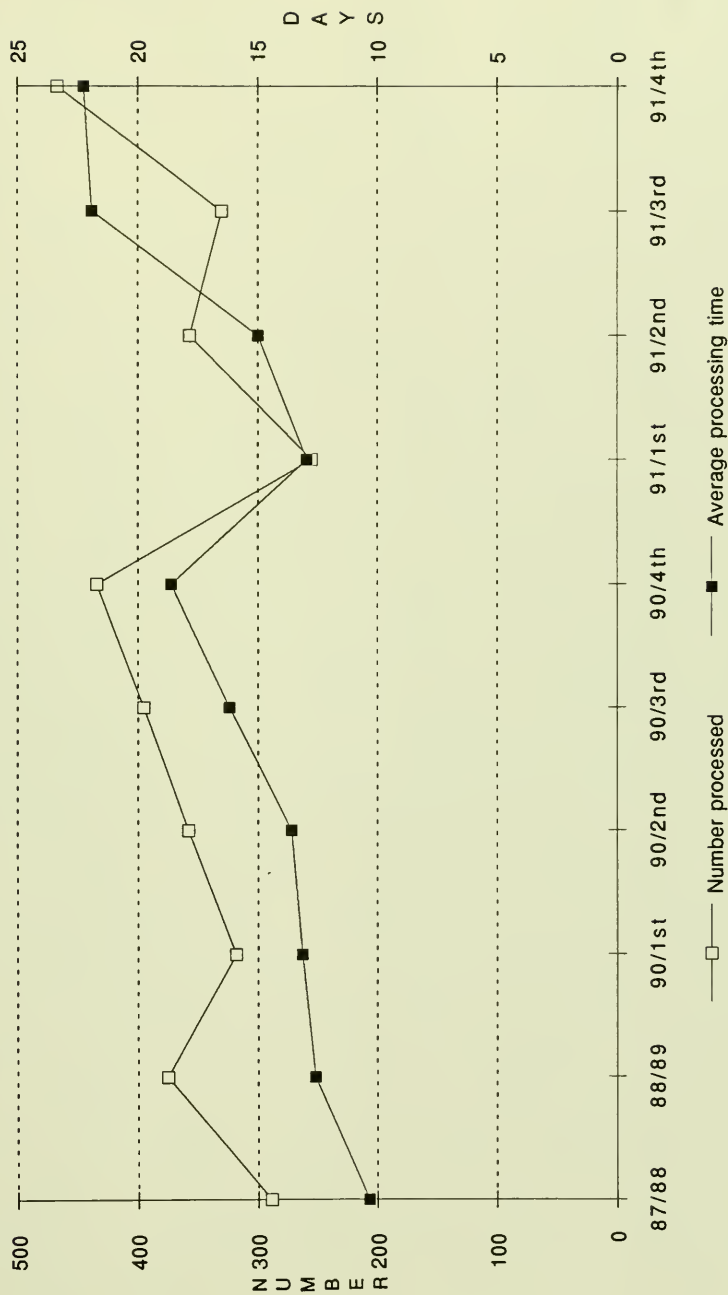


PURCHASE ORDER DOCUMENT VOLUME AND AVERAGE PROCESSING TIME OPEN MARKET PURCHASE ORDERS





PURCHASE ORDER DOCUMENT VOLUME AND AVERAGE PROCESSING TIME PROPRIETARY AND NOS ORDERS





STOREKEEPING SERVICES

4th Quarter Highlights and Accomplishments

• Management Audit conducted by Board of Supervisors Budget Analyst

We prepared a summary of the report's recommendations and the status of any actions to implement the recommendations, for CAO's Office review.

In the storekeeping area, the primary issue is the Budget Analyst's proposal to remove inventory responsibility from Purchasing and give this responsibility to departments. Actions related to this during quarter:

- A draft Charter amendment was prepared that would assign inventory responsibility to departments rather than to Purchasing. We reviewed the draft amendment with the original requester of the management audit, Supervisor Kennedy, who did not wish to sponsor the amendment.
- A survey was distributed to departments having storerooms, asking their input regarding the issue. Survey responses are due in July.

During the Finance Committee budget hearings for FY 91/92, the Budget Analyst presented the stores decentralization issue as a policy issue for the committee's consideration. The Director stated that Purchasing is considering the proposal, in coordination with departments. The Committee chair, Supervisor Gonzales, requested that Purchasing provide a status report on the issue within 90 days.

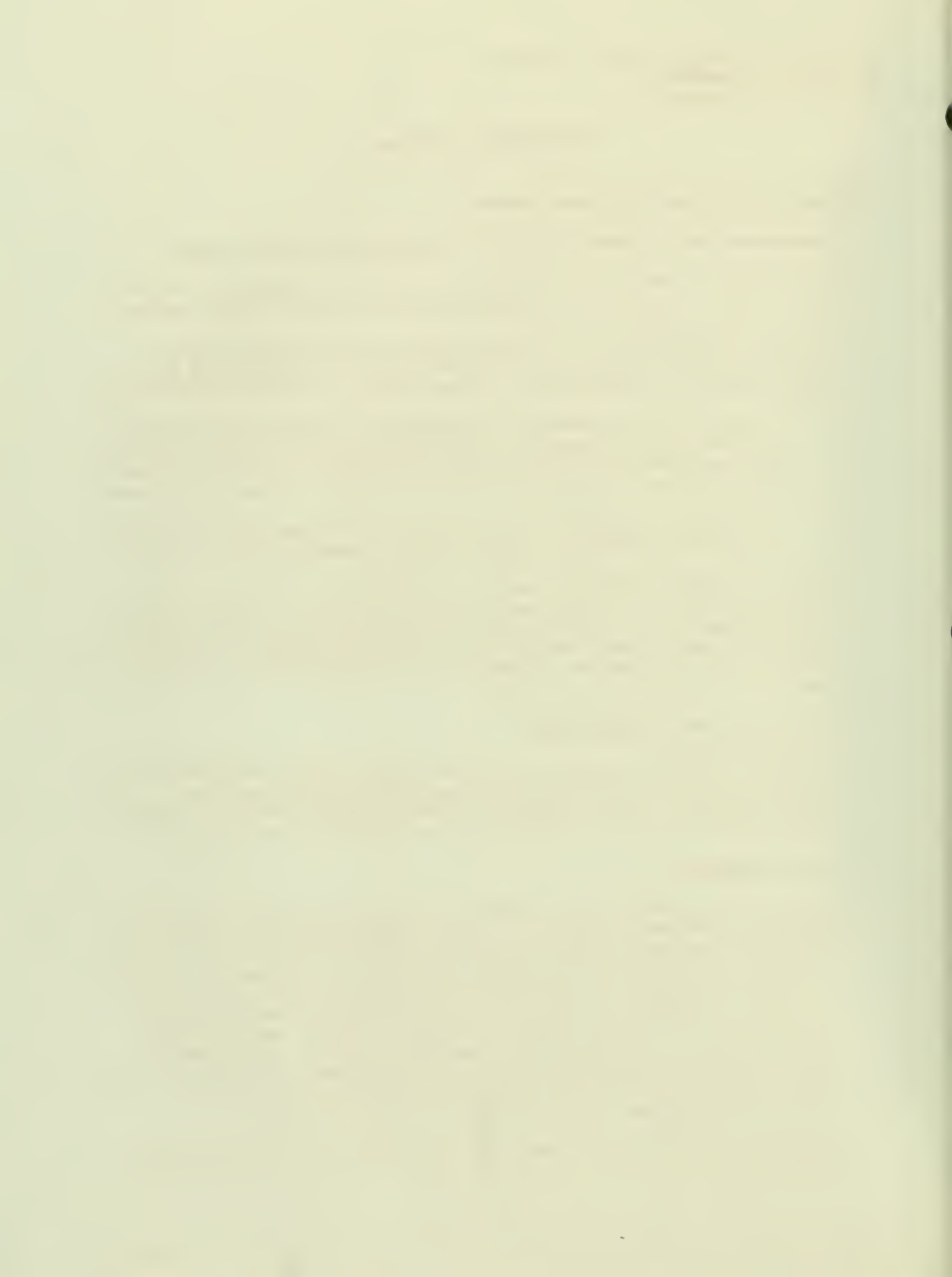
• Unfilled personnel requisitions

Personnel requisitions being held by the Mayor's Office continued to be a serious problem during the quarter, impeding progress in many areas. Some relief will occur with the release of requisitions in the first quarter, particularly the 1940 Stores and Equipment Supervisor requisition.

• Budget reductions

Unfortunately, funding for the immediate replacement of Bob Tecco was not approved by the Mayor's Office in the FY 91/92 budget, which will again result in a management staffing shortage in the Stores Division. Unless a supplemental appropriation, which the department is planning to submit in the first quarter, is approved, the 1160 Assistant Director position in charge of the Stores Division will have to be held vacant for over seven months. As we expressed to the Mayor's Office, many important responsibilities, including Charter-mandated inventory responsibility, cannot be met if sufficient staffing is not available. The impacts would most probably include higher inventory carrying costs for City departments, inventory control problems, and other risks.

While the 1160 position is vacant, Henny Lee is the acting head of the division.



STOREKEEPING SERVICES

In addition to disapproving our funding request for immediate filling of the Assistant Director position, the Mayor's Office cut three positions in the Storekeeping Division as part of the City's budget reduction effort:

- 2 1934 Storekeepers
- 1 1426 Senior Clerk Typist

As indicated to the Mayor's Office, elimination of the Storekeeper positions will reduce our ability to provide coverage for absences across storerooms. Elimination of the Senior Clerk Typist position will impede progress on procedures development, staff training, and other needs. Management staff will be strained even further as a result of these cuts.

- Inventories

With a few exceptions, annual physical inventories were completed at all locations. Some storerooms are not due for their annual inventories until the first quarter of FY 91/92. Two storerooms, Electricity and Water-Millbrae, due to be inventoried in June, instead are being inventoried in July, due to staffing shortage or other problem.

Recount and reconciliation of inventories are expected to be completed by the middle of July. Value of all inventories by location will be reported to the Controller's Office by June 30.

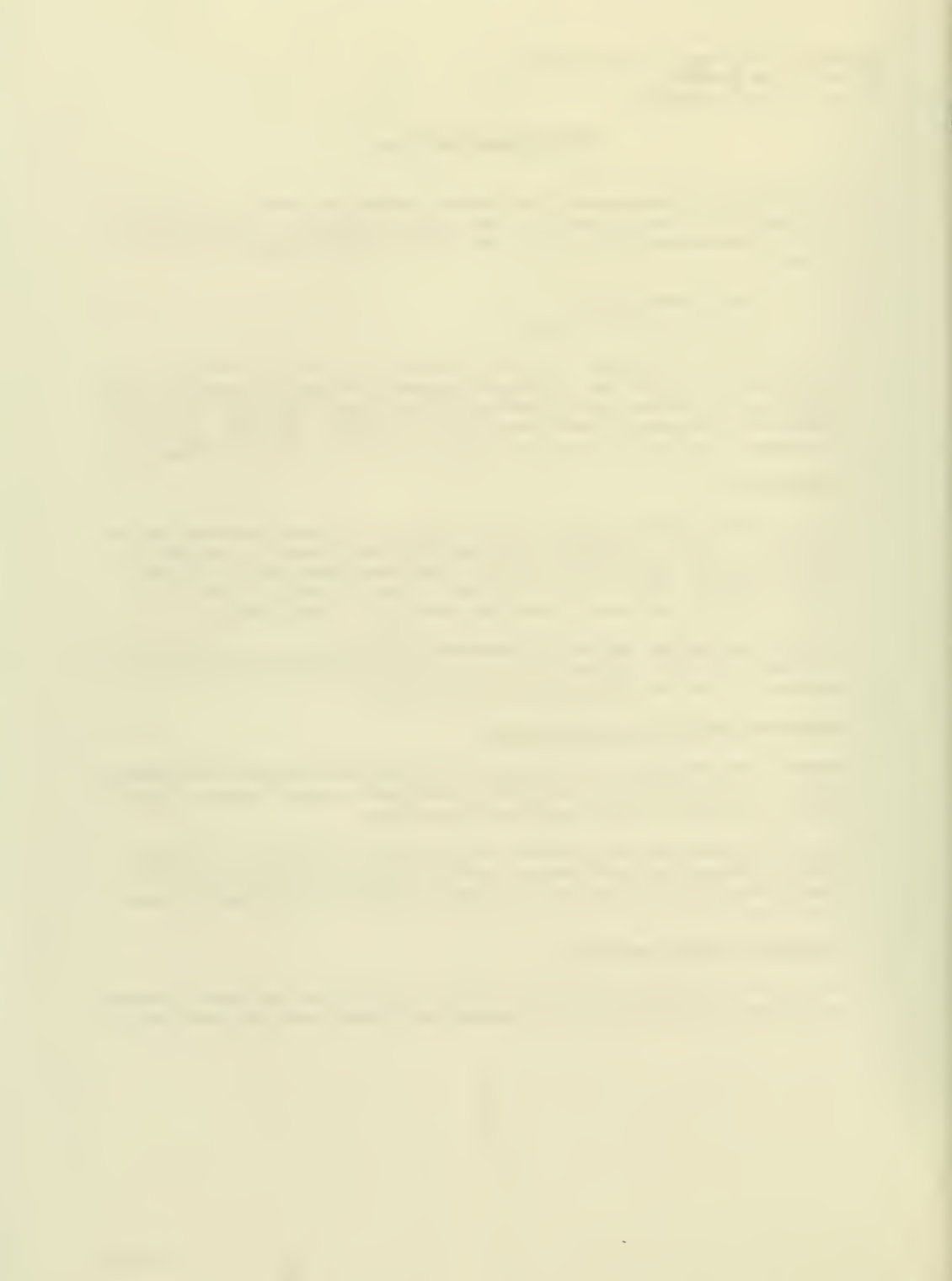
- Hazardous materials storage permits

Permits were obtained for storerooms at Laguna Honda Hospital and Central Shops. Inspections were conducted at the Flynn, Metro, Overhead Lines, Presidio, Potrero, Scott, and Woods Storerooms.

Nine storerooms now have permits, and the seven noted above are pending. This leaves seven of the twenty-three storerooms without permits or inspections. DPH is providing an updated permitting schedule for those locations.

- Inventory control procedures

The physical inventory control procedures section was completed in draft, and copies were distributed to managers and supervisors for their review.



STOREKEEPING SERVICES

Comments Regarding Performance Indicators

• Absenteeism

Personal illness have significantly affected division operations during the quarter. Of eight employees on long-term sick status:

- four are scheduled for retirement;
- one is awaiting a disability transfer by Civil Service;
- one is scheduled to return to work at the end of July.

Disciplinary action is pending on one other employee, and the medical status of the eighth employee is uncertain.

The absenteeism measures for the 3rd quarter are presented on the accompanying tables and graphs. Totals for the 3rd quarter were:

-- authorized vacation, etc.	8.30%
-- sick leave, etc.	14.90
-- AWOL, suspensions	<u>0.00</u>
Total	23.20%

STOREKEEPING SERVICES

Year-end Report

Summary of progress against objectives for FY 90/91

- Procedures development — Continue preparation of the operating procedures manual, beginning with sections on inventory control and periodic physical inventory functions.

The physical inventory control section was completed in draft, and copies were distributed to managers and supervisors for their review.

- Parts Storekeeper positions — Complete the replacement of Storekeepers at Muni Railway storerooms with Parts Storekeepers.

This transition was completed.

- Hazardous Materials Permits — Complete the permitting of all storerooms, contingent on Department of Public Health schedules for conducting hazardous materials reviews of user departments.

Permits have been received for nine storerooms. Inspections of seven others have been completed, and permits should be received shortly. This leaves seven of the twenty-three storerooms without permits or inspections. DPH is providing an updated permitting schedule for those locations.

- Inventories — Respond to issues, in coordination with user department staff for various storerooms, associated with the interfacing of periodic physical inventories with financial accounting functions. Any plans in this regard are contingent on agreements with user departments, the Controller, and CAO, related to: inventory policies and procedures; staffing and funding issues; and other matters.

This item was primarily focused was on the San Francisco General Hospital storeroom, due to the degree of unreliability that was being experienced in the data contained in the hospital's inventory control system. At our suggestion, SFGH Materials Management designed a third cost center in the inventory control system, to improve tracking of inventories. Previously, the inventory control system at the hospital tracked only two different funds, used to purchase:

- non-medical supplies stored in the main storeroom;
- medical supplies kept in the main storeroom, central processing and distribution center (CPD), supply carts located in various wards, and other locations.

STOREKEEPING SERVICES

We are working with SFGH staff to implement this third cost center and to address other inventory control data problems. Some problems arise due to the inventory control system itself, which is very cumbersome and has several technical deficiencies and drawbacks. In FY 91/92, we will work with hospital management and staff to review the prospective replacement of this system (contingent on SFGH plans).

As required, Purchasing reported the values of all inventories to the Controller after the annual inventories were completed. In reporting the inventory values, we explained that Purchasing controls only the physical counts, while financial values are established by the individual departments and are not determined or reviewed by Purchasing.

- Management audit — Respond to findings and recommendations resulting from Budget Analyst management audit.

The final draft report of the Board of Supervisors Budget Analyst Management Audit of the department's procurement functions was received in February. The report, with Purchasing's response, was issued in March.

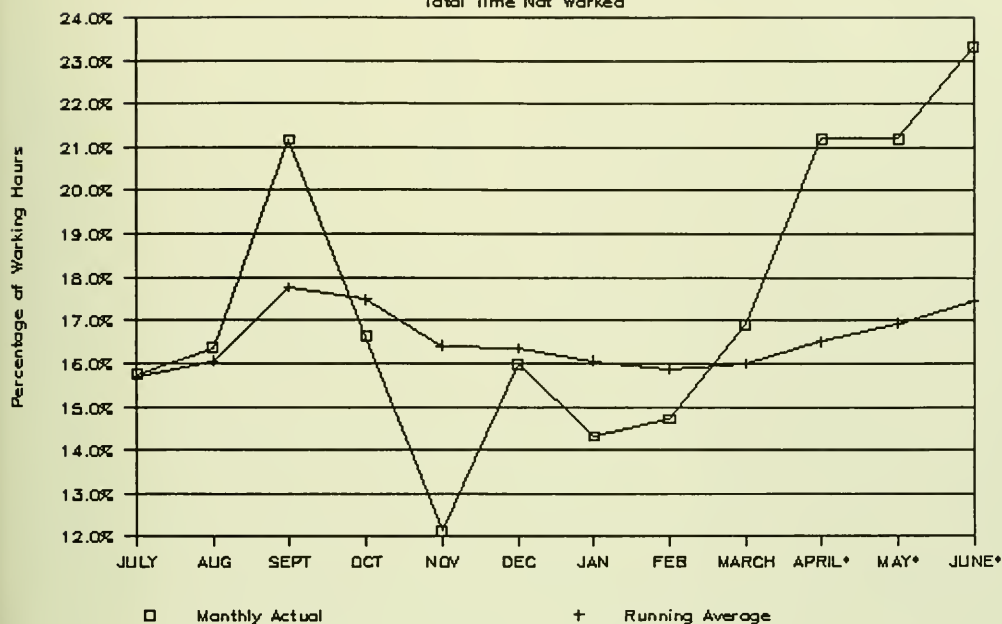
As described in the previous section pertaining to the 4th quarter, a survey was distributed to all departments with storerooms, asking them for input regarding the issue of decentralizing the management of storerooms. Survey responses are due in July.

Proposed objectives for FY 91/92

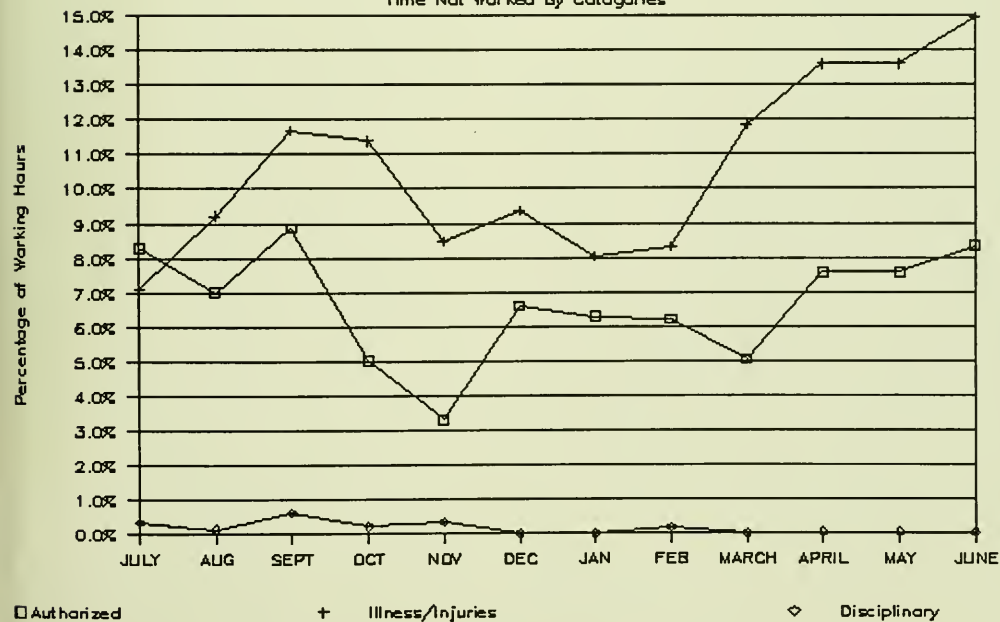
- Organization and staffing. Fill long-vacant 1940 Stores and Equipment Supervisor position. Request funding and authorization to fill vacated Assistant Director position as soon as possible.
- Procedures development. Continue preparation of the operating procedures manual, contingent on availability of staff.
- Hazardous materials permits. Continue process to obtain permits for seven storerooms not yet permitted, contingent on DPH schedule.
- Injury prevention program. Implement new Injury and Illness Prevention Program in storerooms.
- Decentralization of storeroom management. Conduct survey of departments regarding possible decentralization of storeroom management functions. Submit results to the CAO, Mayor's Office, and Board of Supervisors as appropriate.

Stores Division FY-90/91

Total Time Not Worked



Time Not Worked By Categories



CENTRAL SHOPS

4th Quarter Highlights and Accomplishments

- Hazardous Materials

Central Shops satisfied all requirements for a full Hazardous Materials Permit. The permit will be issued upon receipt of fee (see attached letter from DPH).

- Sewer and paving project

Planning continued on the paving and sewer project for Central Shops. The project is scheduled for completion by December, 1991. An additional plan to repave the center driveway has been deferred indefinitely due to lack of funding.

- Fleet Management System

An outline for procuring a new automated fleet management system was completed in draft, and planning started for the hiring of a consultant to assist in the selection and implementation of a system.

- Asbestos

We have been expediting vehicle manufacturers for documentation regarding asbestos and non-asbestos brakes. Depending on the results we may have to restrict bidding.

Almost all replacement brake pads installed by Central Shops now are non-asbestos.

Asbestos inspections are underway or complete for the Central Shops facility and for the Hall of Justice and Rec/Park sites. All results so far have been below the legal limits.

- FY 91/92 budget

The City Auto Purchases budget was defunded by the Mayor's Office, and no replacement general-purpose vehicles will be purchased during FY 91/92.

As in the past two budget cycles, the Mayor's Office again did not approve our request for a Vehicle Specification Analyst position.

CENTRAL SHOPS

Comments Regarding Performance Indicators

• Vehicle availability

- Traffic Motorcycles. Average down days for traffic motorcycles was below target in April. Many of these motorcycles were old, and Parking and Traffic decided not to fix them as they broke down. This problem was resolved in June with the arrival of 50 new motorcycles.
- DPW packer/loaders. Availability of DPW aeriels was below target in May. There were two loaders in the shop for major repairs during the month, and at the same time many packers came to the shop for minor repairs. The problem has been resolved and the availability target was met for June.

CENTRAL SHOPS

Year-end Report

Summary of progress against objectives for FY 90/91

- Fleet Administrator position — Hire a Fleet Administrator.

The Fleet Administrator position was filled, for the third time, in August 1990.

- Vehicle specifications and purchasing — Obtain funding for an Equipment Engineer position for developing and standardizing vehicle specifications.

Funding for this position was disapproved by the Mayor's Office for the third year in a row.

- Automation — Proceed toward fully automating Central Shops fleet management and accounting functions.

While preventive maintenance scheduling, smog certification, management reports, and some other functions have been automated, selection and implementation of comprehensive fleet management system has not been completed. We are now in the stage of hiring a consultant to assist in evaluating available software and selecting a system.

- Facilities maintenance and capital improvements — Make major repairs to Central Shops roadways. Install the new paint booth.

The engineering plans to repave the back driveway and add an additional sewer line were completed, and the project is scheduled to be finished by December 1991. An additional plan to repave the center driveway has been deferred indefinitely due to lack of funding.

- Storekeeping support functions — Develop plans to remodel Central Shops' storeroom. Also, develop a plan to increase staff in the storeroom to serve the needs of Central Shops and relieve shop foreman of routine and time-consuming parts ordering functions.

Funding to develop plans for the remodeling of the storeroom was denied. Staffing cannot be increased in the storeroom until it is expanded.

CENTRAL SHOPS

- Office space planning and conversion — Design and implement a new space plan for the office space at Central Shops, expanding into what is currently the storage room for Fire Department hoses and other supplies and equipment.

A long-term space plan was prepared, which would entail the removal of the existing computer room and incorporation of that space into the overall office. This plan cannot be implemented until it is known whether or not the computer room will be needed for hardware associated with the automated fleet management system.

For the short term, two additional offices will be established in the existing hose room, which will provide some improved space for office staff until the full plan can be implemented.

- Department of Parking and Traffic — Adapt systems and procedures, and establish service relationship with new Department of Parking and Traffic.

Completed.

Proposed objectives for FY 91/92

- Automation. Complete the selection and begin implementation of an automated fleet management system.
- Facilities maintenance and capital improvements. Complete driveway and sewer project.
- Office facilities. Obtain and install new phone system, and enlarge office space.
- Injury prevention program. Implement new Injury and Illness Prevention Program at Central Shops.



VEHICLE AVAILABILITY REPORT
Central Shops
JUNE/91

FLEET	FLEET SIZE	# AVAILABLE DEMAND	ACTUAL	% AVAILABLE DEMAND	ACTUAL	DOWN DAYS AVG	TARGET	TARGET ABOVE	DAYS BELOW
Ambulances	19	12	16	63	84	4		21	0
Fire-Aerials	23	18	21	78	91	6		30	0
Fire-Pumpers	56	41	46	73	82	6		30	0
Police-Autos	560	520	526	93	94	8			
Police-Motorcycles	90	85	89	94	99	1			
Traffic-Motorcycles	223	201	203	90	91	19		21	0
DPW Sweepers	40	30	33	75	83	9		21	0
DPW Constr equip	78	66	71	85	91	6		21	0
DPW Paint Striper	2	1	2	50	100	0		21	0
DPW Sewer Cleaners	14	10	11	71	79	12		21	0
DPW Packer/Loader	17	13	14	76	82	7		21	0
DPW Aerial	6	4	5	67	83	7		21	0
Truck Shop Fleet	650	585	606	90	93	6		21	0
Car Shop Fleet	1000	950	969	95	97	3		21	0

DAE D. Cowley

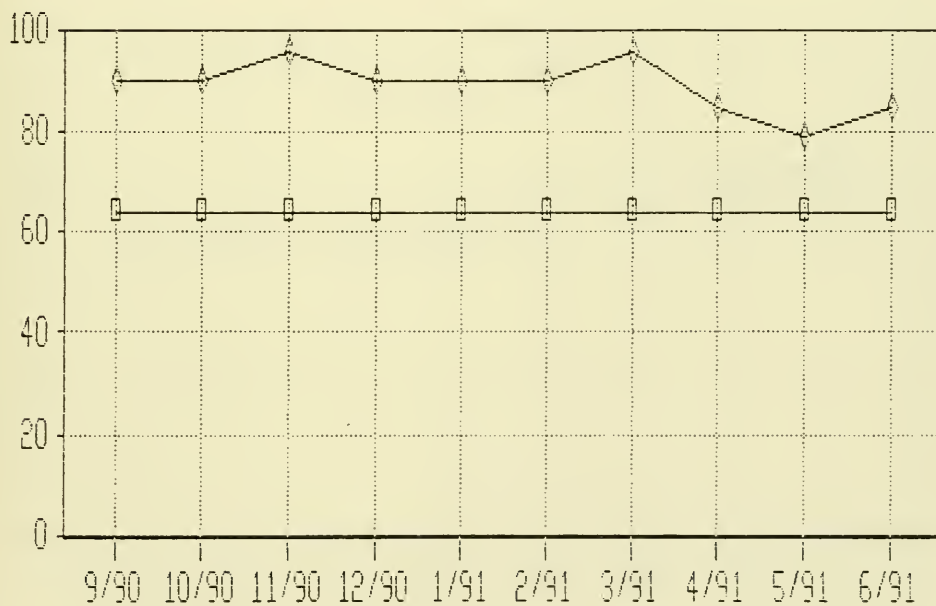
① C. Vejdovsky



VEHICLE AVAILABILITY REPORT
Central Shops
June 1991

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	AVG	TARGET	ABOVE	BELOW
ambulances	19	12	63	16	84	4	0

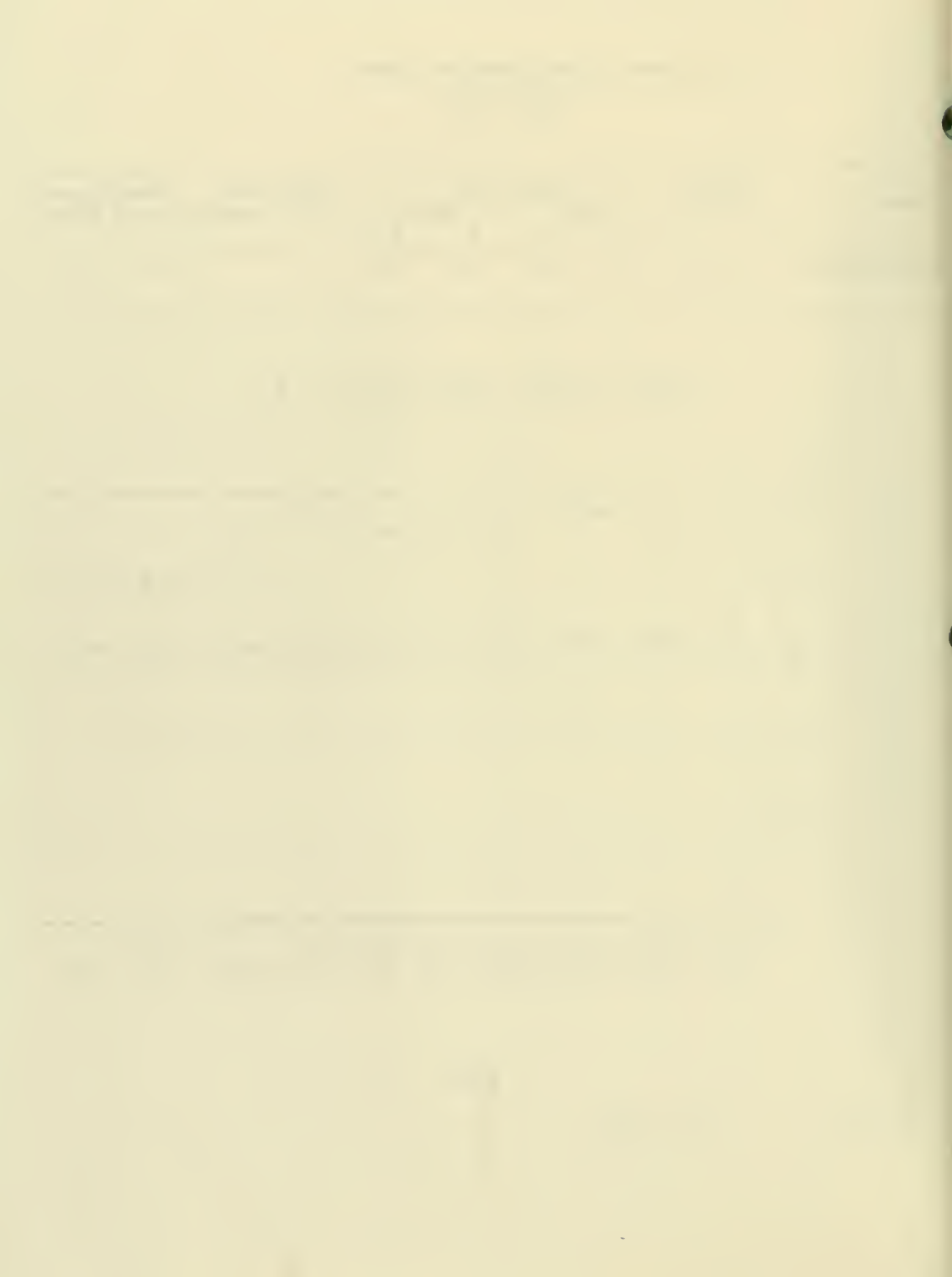
Ambulance Availability



month

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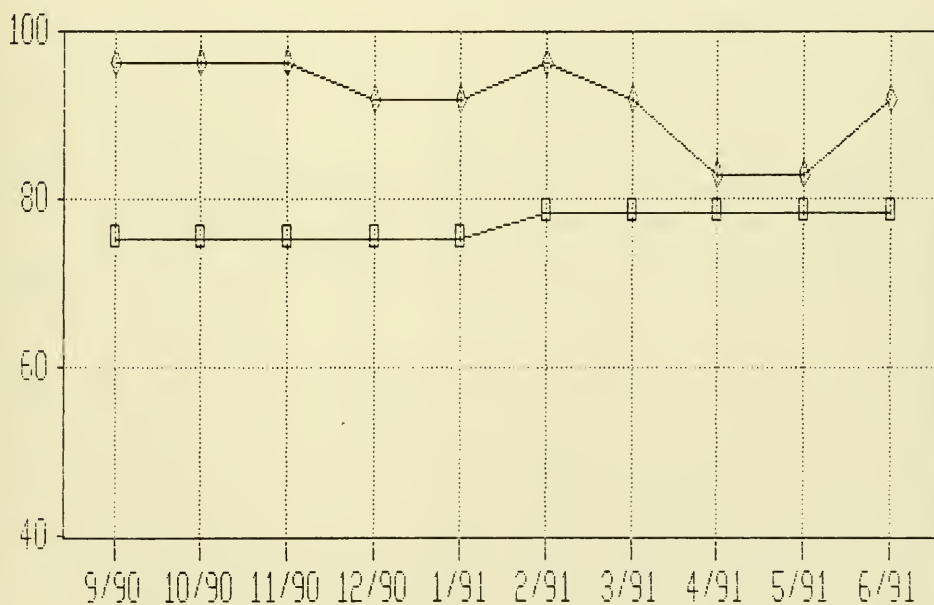
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VEHICLE AVAILABILITY REPORT
Central Shops
June 1991

FLEET	FLEET SIZE	AVAILABLE				DOWN AVG	DAYS TARGET	TARGET DAYS	
		TARGET #	%	#	%			ABOVE	BELOW
aerial	23	18	78	21	91	6		21	0

Fire-Aerial Availability



month

◆ % actual

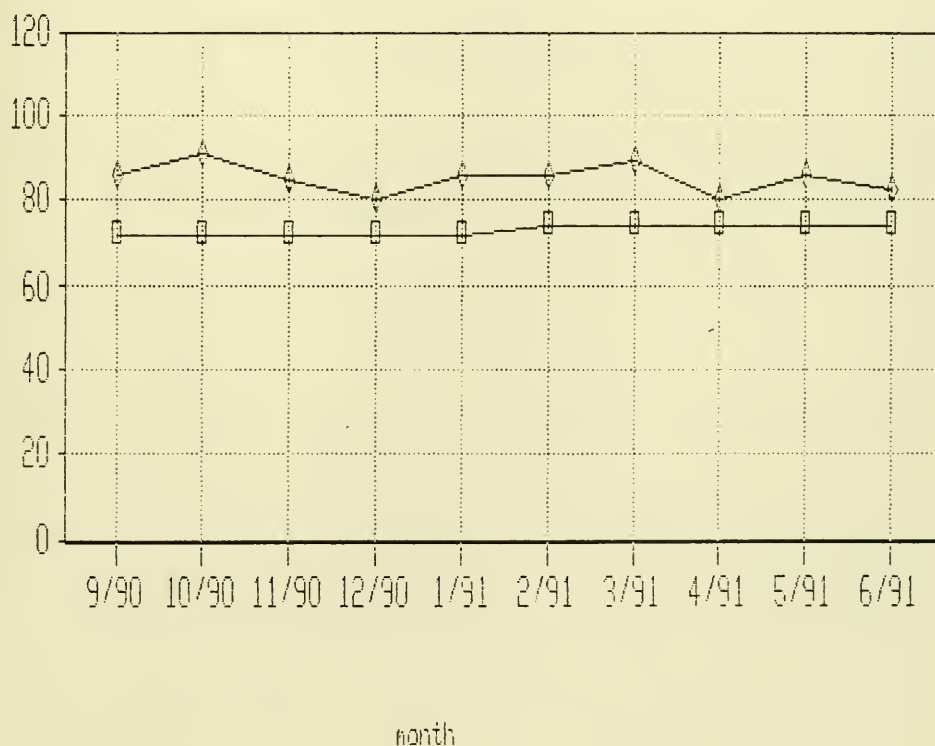
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VEHICLE AVAILABILITY REPORT
Central Shops
June 1991

FLEET	FLEET SIZE	AVAILABLE		ACTUAL		DOWN AVG	DAYS TARGET	TARGET DAYS	
		TARGET #	%	#	%			ABOVE	BELOW
pumpers	56	41	73	46	82	6		21	0

Fire-Pumper Availability



◆ % actual

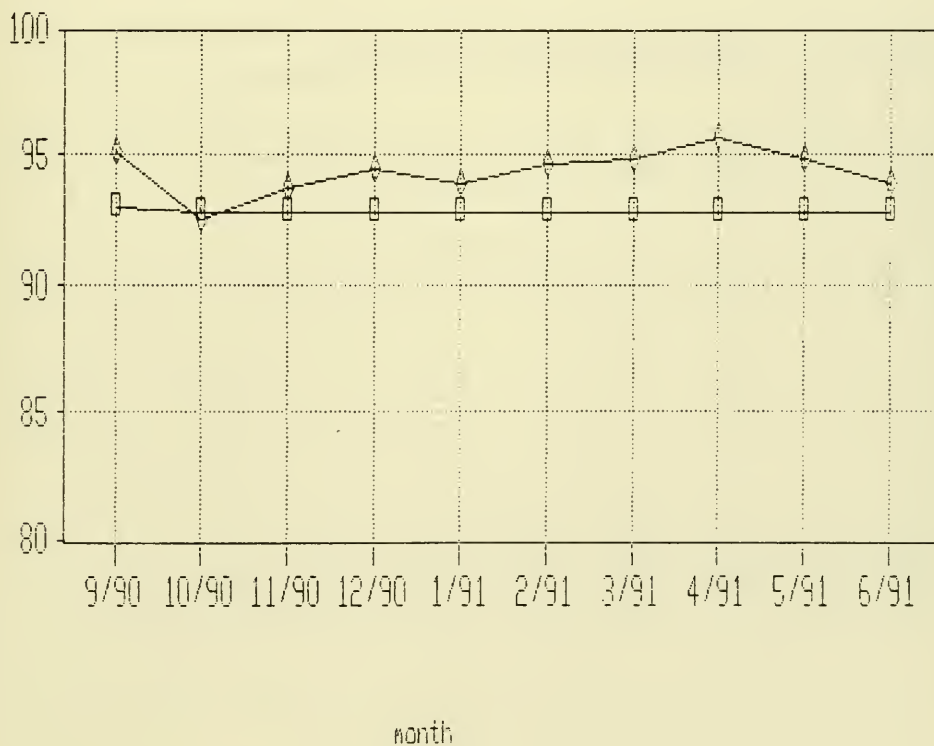
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VEHICLE AVAILABILITY REPORT
Central Shops
June 1991

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS		TARGET DAYS	
		TARGET #	%	#	ACTUAL %	AVG	TARGET	ABOVE	BELOW
police/autos	560	520	93	526	94	8		21	0

Police/Autos Availability



—△— % actual

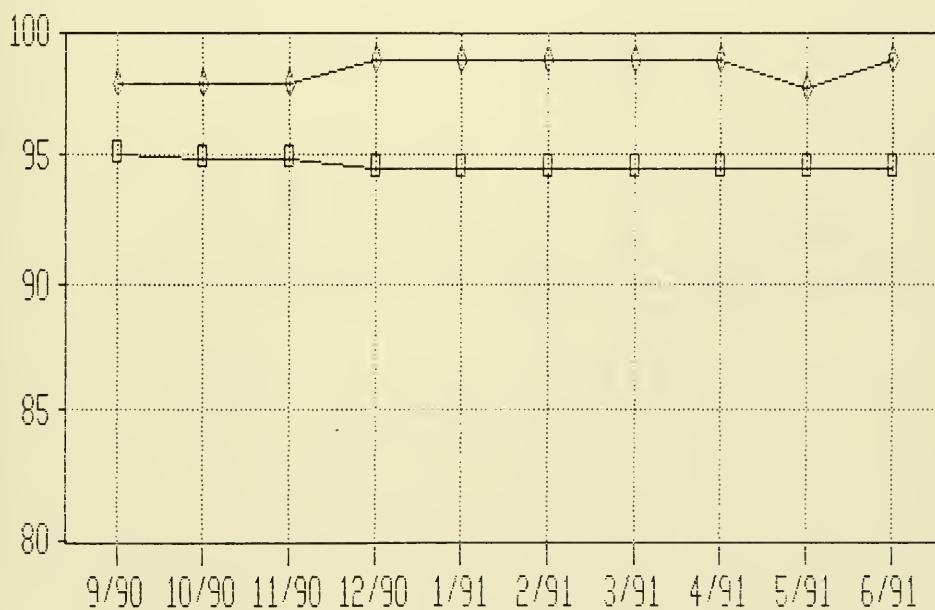
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VEHICLE AVAILABILITY REPORT
Central Shops
June 1991

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS		TARGET DAYS	
		TARGET #	TARGET %	ACTUAL #	ACTUAL %	AVG	TARGET	ABOVE	BELOW
police/motorcyc	90	85	94	89	99	1		21	0

Police/Motorcycles



month

—◇— % actual

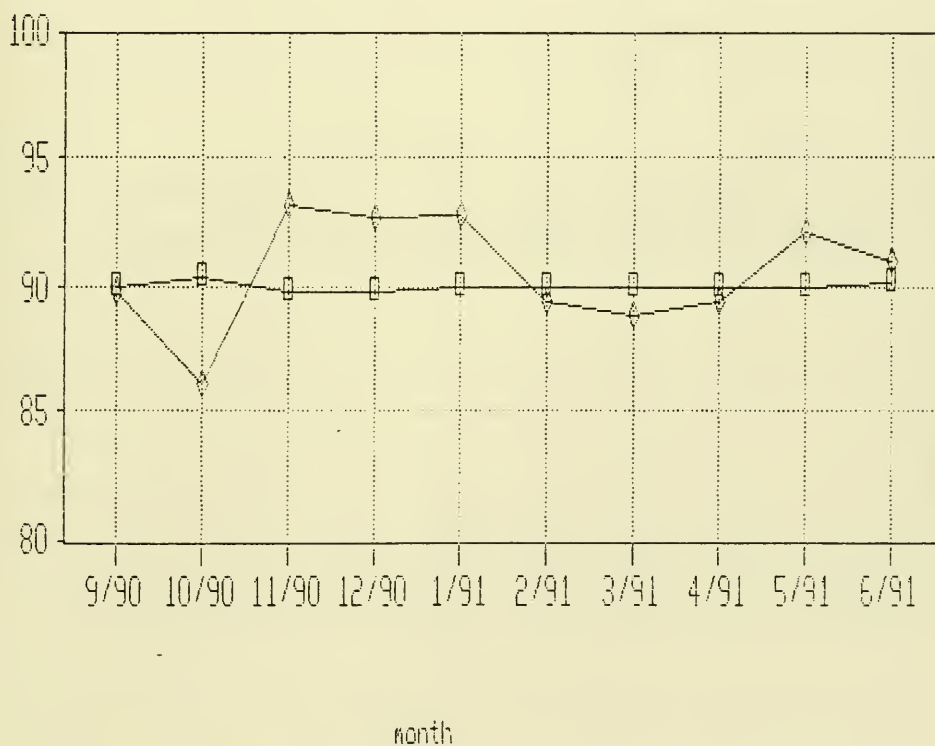
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VEHICLE AVAILABILITY REPORT
Central Shops
June 1991

FLEET	FLEET SIZE	TARGET		AVAILABLE		DOWN DAYS AVG	DAYS TARGET	TARGET DAYS	
		#	%	#	%			ABOVE	BELOW
traffic	223	201	90	203	91	19		21	0

Traffic Control Availability



◆ % actual

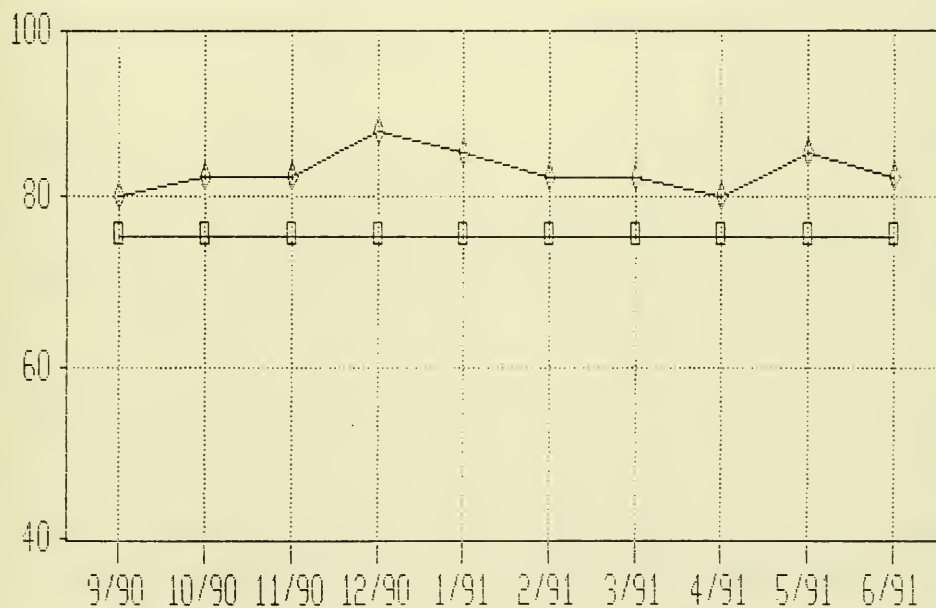
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VEHICLE AVAILABILITY REPORT
Central Shops
June 1991

FLEET	FLEET SIZE	TARGET		AVAILABLE		DOWN DAYS		TARGET DAYS	
		#	%	#	%	AVG	TARGET	ABOVE	BELOW
sweepers	40	30	75	33	83	9		21	0

Sweeper Availability



month

—△— % actual

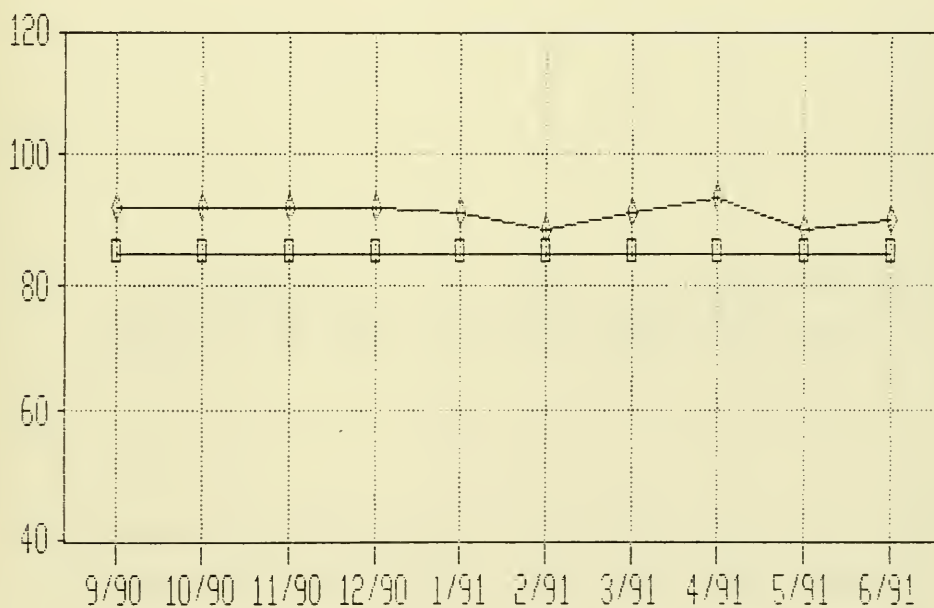
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VEHICLE AVAILABILITY REPORT
Central Shops
June 1991

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS AVG	DAYS TARGET	TARGET DAYS	
		TARGET #	%	#	%			ABOVE	BELOW
constr equip	78	66	85	71	91	6		21	0

DPW Construction Equipment



month

◆ % actual

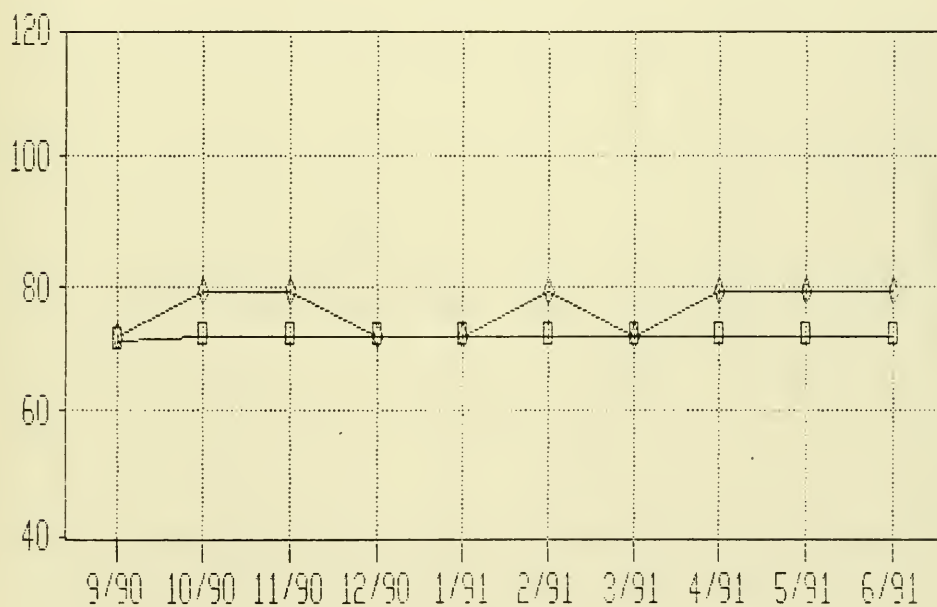
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VEHICLE AVAILABILITY REPORT
Central Shops
June 1991

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS		TARGET DAYS	
		TARGET #	%	#	%	AVG	TARGET	ABOVE	BELOW
sewer cleaners	14	10	71	11	79	12		21	0

Sewer Cleaner Availability



month

◆ % actual

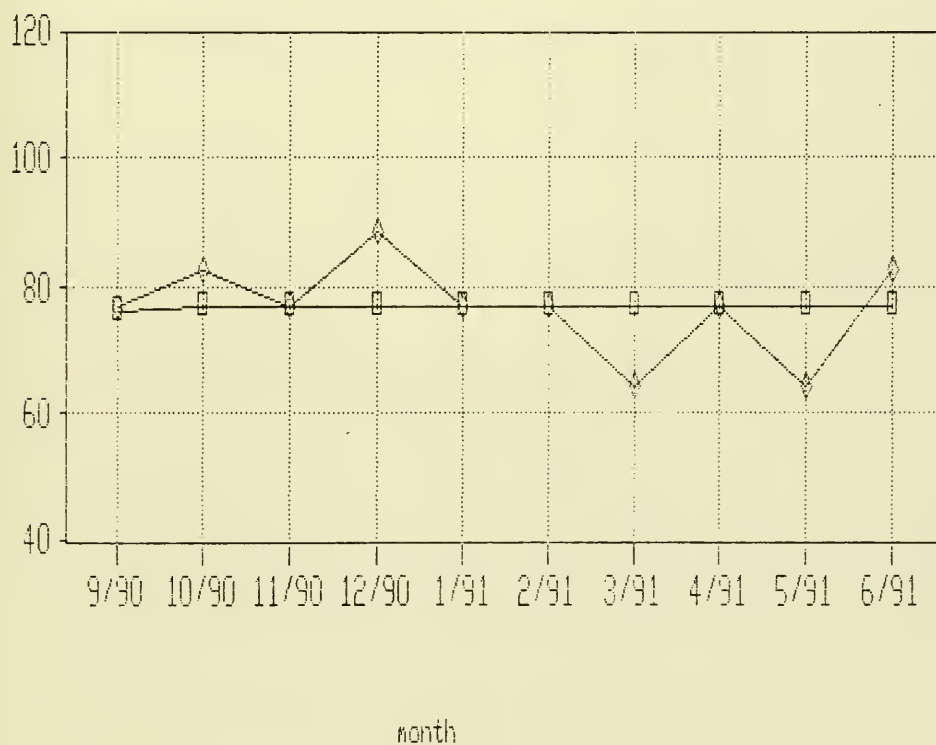
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VEHICLE AVAILABILITY REPORT
Central Shops
June 1991

FLEET	FLEET SIZE	TARGET		AVAILABLE		DOWN DAYS AVG	DAYS TARGET	TARGET DAYS	
		#	%	#	%			ABOVE	BELOW
packer/loader	17	13	76	14	82	7		21	0

DPW Packer/Loader Availability



◆ % actual

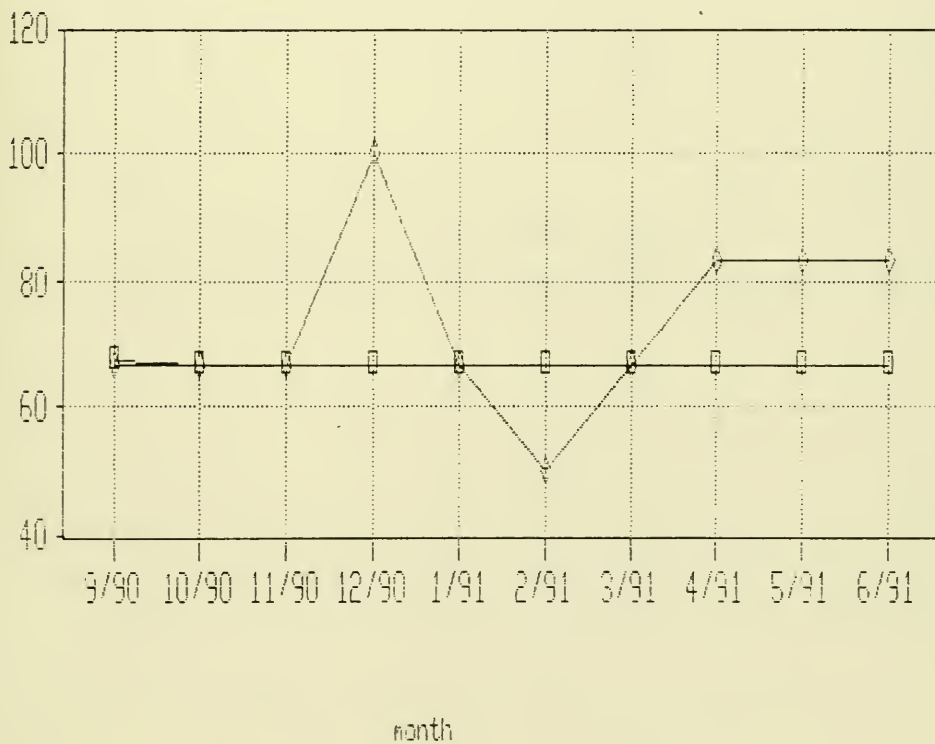
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VEHICLE AVAILABILITY REPORT
Central Shops
June 1991

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS AVG	DAYS TARGET	TARGET DAYS	
		TARGET #	%	ACTUAL #	%			ABOVE	BELOW
dpu/aerial	6	4	67	5	83	7		21	0

DPW Aerial Availability



—△— % actual

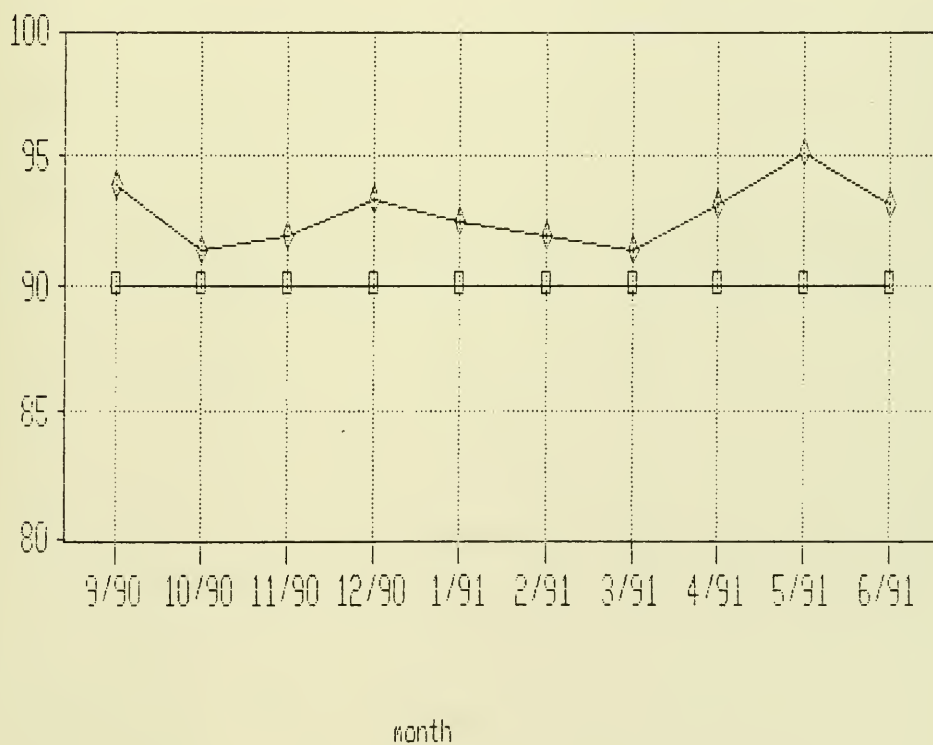
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VEHICLE AVAILABILITY REPORT
Central Shops
June 1991

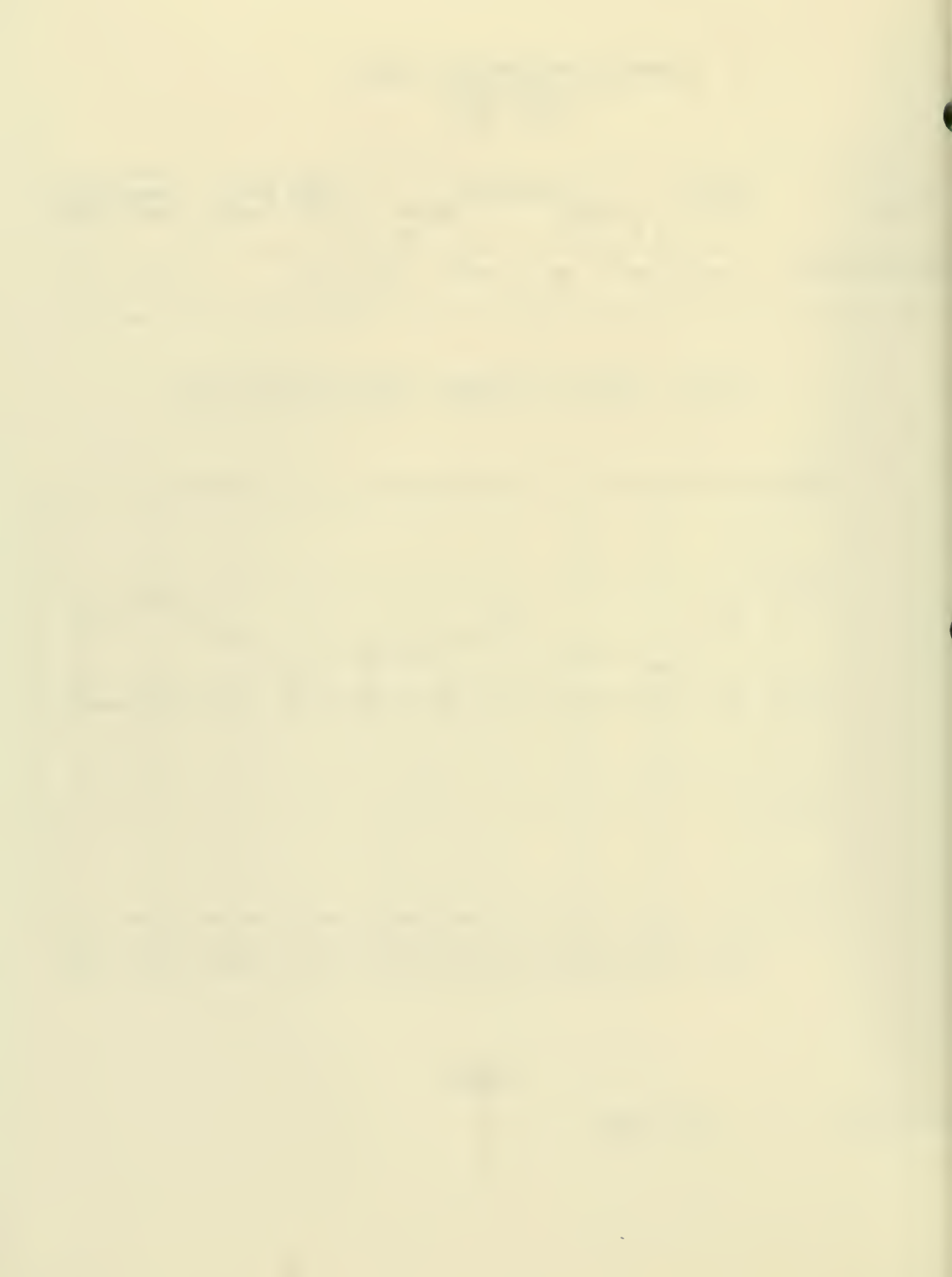
FLEET	FLEET SIZE	AVAILABLE				DOWN AVG	DAYS TARGET	TARGET DAYS	
		TARGET #	%	ACTUAL #	%			ABOVE	BELOW
heavy trucks	650	585	90	606	93	6		21	0

Truck Shop Fleet Availability



—◆— % actual

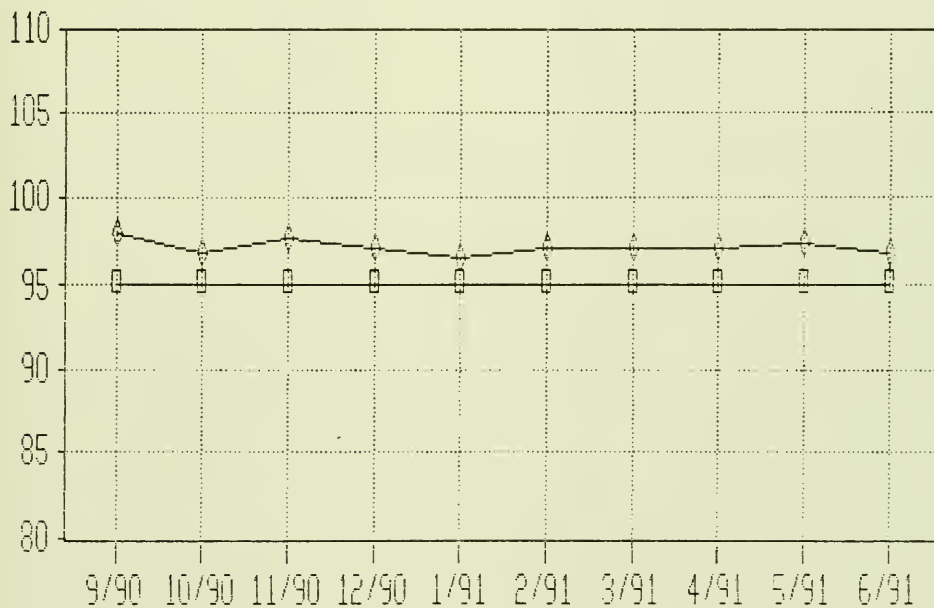
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VEHICLE AVAILABILITY REPORT
Central Shops
June 1991

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS		TARGET DAYS	
		TARGET #	TARGET %	ACTUAL #	ACTUAL %	AVG	TARGET	ABOVE	BELOW
car shop	1000	950	95	969	97	3		21	0

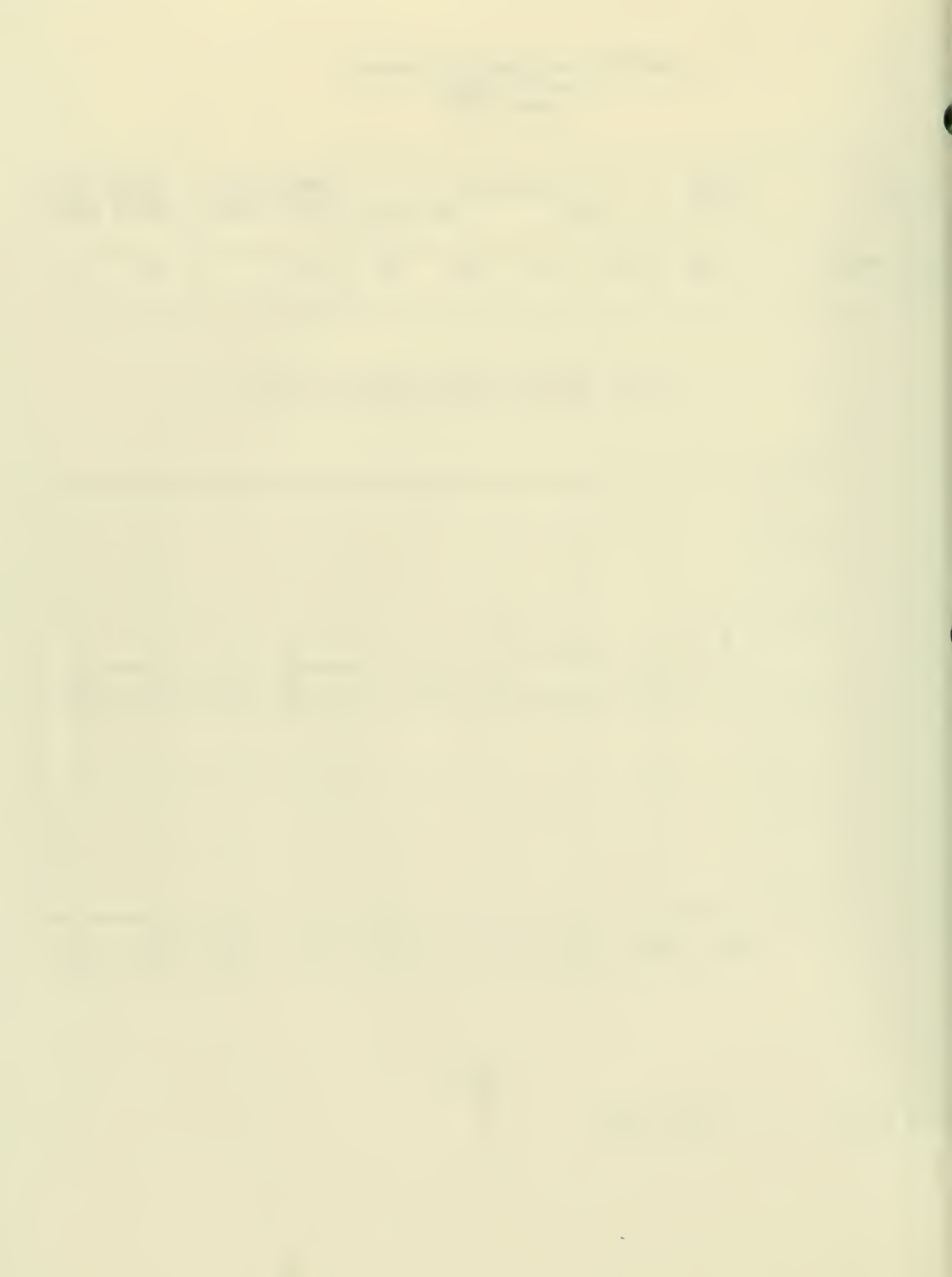
Car Shop Availability



month

—△— % actual

—□— % target





ADMINISTRATIVE SERVICES

4th Quarter Highlights and Accomplishments

- Mail Services

The Controller's Office, based on our recommendation, finished selecting and installing address correction and ZIP-plus-4 software on the mainframe. With the ZIP-plus-4 code printed on the address, we will be able to achieve savings for mail produced off the mainframe printers (primarily Social Services, Retirement, Tax Collector).

- Reproduction Services

Reproduction started offering recycled paper for printing work. The paper cost is approximately 20% higher than regular paper, at present.

Comments Regarding Performance Indicators

- Purchase order payment processing time

Performance in the purchase order payment area was outstanding during the 4th quarter. Despite the fact that payment volume was very high (as is expected for the 4th quarter), the processing time was the quickest ever recorded on the tracking system:

- nearly 60% of payments were processed within 5 days of receipt of the MRR;
- 80% of payments were processed within 10 days of receipt of the MRR.

- Reproduction and Mail Services volume

Demand for both Reproduction Services and Mail Services continued the upward trend during FY 90/91.

Reproduction volume during the 4th quarter was slightly less than during the 4th quarter of FY 89/90. For the year, volume was 3% higher than during FY 89/90.

Similarly, Mail Services volume during the 4th quarter was slightly less than in the prior year. The annual volume was 4% higher than in FY 89/90.



ADMINISTRATIVE SERVICES

Year-end Report

Summary of progress against objectives for FY 90/91

- Automation — Modify procedures, train staff, and reorganize clerical support functions as needed in conjunction with implementation of the automated procurement system.

The only necessary changes in clerical functioning to date have been related to the vendor file maintenance. Further changes will occur in FY 91/92 as the procurement system is implemented in the central office.

- Support to procurement services — Work with purchasing managers and buyers to review effectiveness of clerical support to buying teams and procurement services as a whole, and to address need for increasing the level of supervision provided by buyers to the clerical staff.

This is an ongoing process. Further discussions need to be conducted with buying staff on the teams, to review concerns regarding clerical support.

- Payment processing — Continue expediting user departments to speed up processing of purchase order payments.

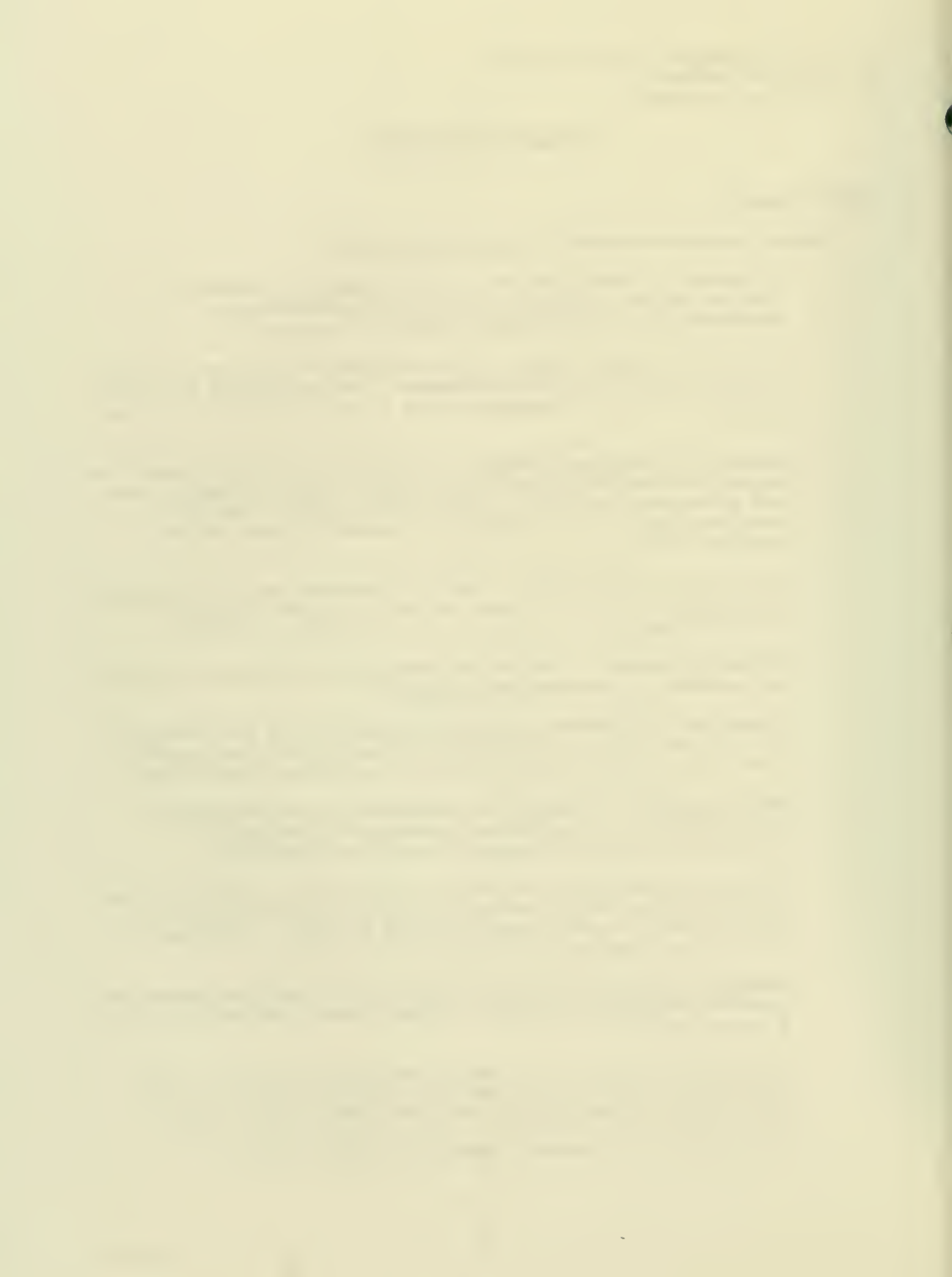
Expediting of departments regarding payments is now done regularly, through: periodic reports sent to departments listing outstanding MRRs; informal memos and phone contacts by accounts payable staff.

- Mail Guidelines — Complete the development and dissemination of guidelines for user departments regarding mail processing and standardization of mailing materials used by departments.

This was delayed during the year due to the need to incorporate new ZIP-plus-4, bar-coding, addressing, envelope standardization, and other automation-related changes made by the USPS. The guide will be distributed during the first quarter of FY 91/92.

- Satellite reproduction facility/second shift — Evaluate options for expanding Reproduction capacity, through a satellite facility and/or a second shift.

Discussions were held with Community Mental Health Services staff regarding the possibility of opening a satellite shop in the new CMHS offices on Howard Street, but space limitations and other factors made this impractical. A partial second shift is still a possibility, if it becomes necessary to increase capacity.



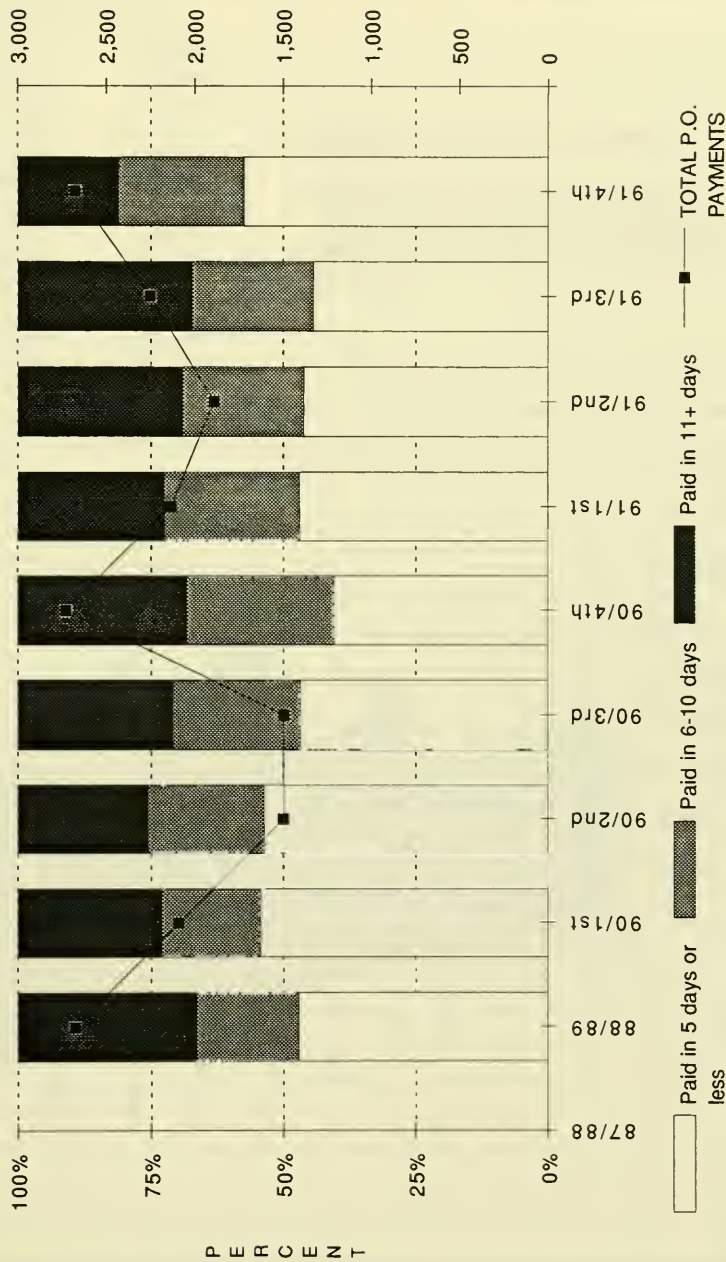
ADMINISTRATIVE SERVICES

Proposed objectives for FY 91/92

- Automation. Modify procedures, train staff, and reorganize clerical support functions as needed in conjunction with implementation of the automated procurement system.
- Clerical support to procurement services. Continue work with purchasing managers and buyers to review clerical support.
- File organization and storage. Review and standardize organization of various document files. Inspect files remaining in storage at Central Warehouse, destroy unneeded files, and send retained files to vendor for storage.
- Mail Guidelines. Complete the development and dissemination of the mail guide.
- Procedures documentation. Develop user and systems documentation for new accounting system used in Reproduction and Mail.
- User satisfaction survey. Conduct user satisfaction survey for both Reproduction and Mail Services.



PURCHASE ORDER PAYMENTS VOLUME AND PROCESSING TIME





Mail Services

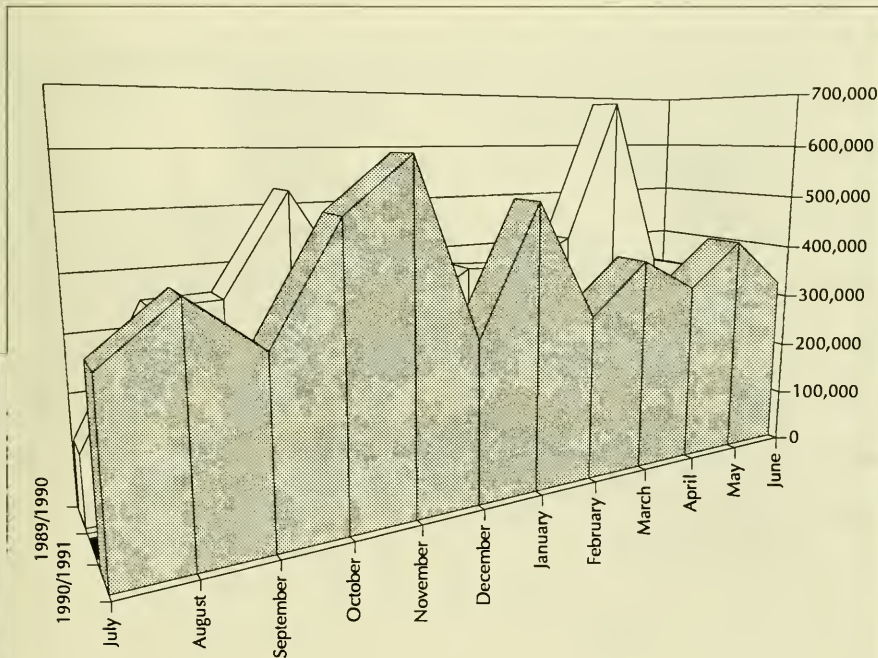
Pieces of Mail processed per month

	1990/1991	1989/1990
July	315,518	125,253
August	406,270	348,757
September	314,420	351,332
October	504,284	528,554
November	595,137	341,871
December	288,267	298,783
January	512,751	367,558
February	302,538	361,180
March	393,344	413,079
April	333,320	685,584
May	413,834	350,360
June	323,777	329,102

Total 4,703,460 4,501,413

Highlights for 4th quarter FY 1990/91:

Installation of Zip+4 correction software on Controllers Mainframe printer. As this package comes into wide use, Mail Services will be able to pass lower postal automation rate charges on to the departments.





Reproduction Bureau

Impressions per month

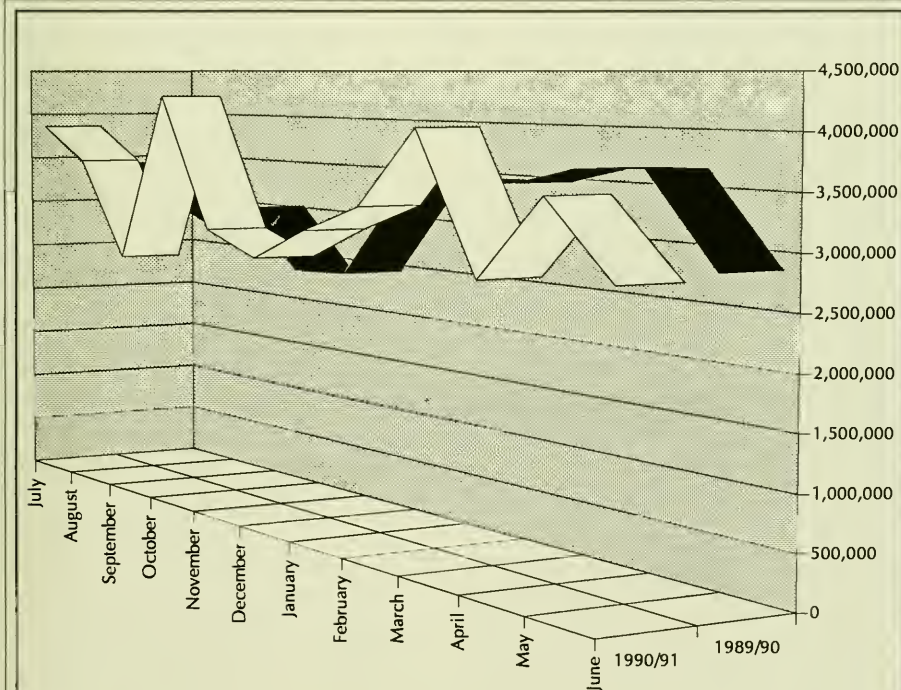
	1990/91	1989/90
July	3,860,522	3,434,619
August	3,498,226	3,046,246
September	2,483,454	2,815,205
October	4,232,288	3,046,312
November	2,884,000	2,432,740
December	2,654,524	2,462,895
January	2,979,406	3,292,333
February	3,252,542	3,479,252
March	4,000,092	3,479,451
April	2,715,195	3,651,907
May	3,474,084	3,675,458
June	2,807,229	2,862,397
Total	38,841,562	37,678,815

Highlights for 4th quarter Fiscal Year 1990/91:

Recycled paper now available

Renewal of toxic waste storage license

Installation of color slide presentation equipment



English Language

Write your answers in the spaces provided.

Answer the following questions.

1. What is the capital of France?

2. What is the capital of Germany?

3. What is the capital of Italy?

4. What is the capital of Spain?

5. What is the capital of Greece?

6. What is the capital of Russia?

7. What is the capital of China?

8. What is the capital of India?

9. What is the capital of Japan?

10. What is the capital of the United States?

11. What is the capital of Canada?

12. What is the capital of Australia?

13. What is the capital of Brazil?

14. What is the capital of South Africa?

15. What is the capital of Egypt?

16. What is the capital of Saudi Arabia?

17. What is the capital of Turkey?

18. What is the capital of Iran?

19. What is the capital of Iraq?

20. What is the capital of Syria?

21. What is the capital of Lebanon?

22. What is the capital of Jordan?

23. What is the capital of Israel?

24. What is the capital of the United Kingdom?

25. What is the capital of Ireland?

26. What is the capital of the Netherlands?

27. What is the capital of Belgium?

28. What is the capital of Luxembourg?

29. What is the capital of Switzerland?

30. What is the capital of Austria?

31. What is the capital of Germany?

32. What is the capital of France?

Write your answers in the spaces provided.



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PURCHASING DEPARTMENT

QUARTERLY REPORT



DOCUMENTS DEPT.

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FY 91/92, 4th Quarter

Including: FY 91/92 Year - End Report

Annual Report

INTRODUCTION

This report presents, in narrative and graphical form, a perspective of the Purchasing Department's performance during the preceding quarter. It is divided into four sections:

- Procurement Services
- Storekeeping Services
- Central Shops
- Reproduction and Mail Services

Each section of the report presents:

- a description of the division's major highlights and accomplishments of the preceding quarter;
- comments regarding the division's performance indicators for the quarter;
- graphs and tables of the performance indicators.

The performance indicators are quantitative measures of the department's workloads and performance in meeting those workloads. They are very useful for all employees in understanding where the department has opportunities to improve performance. Presented in the form of graphs and tables, they also illustrate the levels of improvement that the department achieves over time. The managers have established targets for many of the indicators, and they routinely monitor performance in relation to the targets.

Other than Purchasing Department employees, a broad audience for the quarterly reports is the departments that use the Purchasing Department's services. The reports also are reviewed by oversight bodies such as the CAO's Office and the Mayor's Office.

PROCUREMENT SERVICES

4th Quarter Highlights and Accomplishments

• Organization and staffing

Staffing was seriously reduced during the 4th quarter. The following permanent positions were vacant throughout the quarter:

- Assistant Director (Jim Breslin, early retirement)
- Supervising Purchaser (Joe Mannon, early retirement)
- Senior Purchaser (Doug Goodspeed, early retirement)
- Senior Purchaser (Bernie Savant, early retirement)
- Senior Purchaser (John Tozer, resignation)
- Senior Purchaser (Bill Jones, on leave to Supervising Purchaser)
- Purchaser (Marc Buchalter, resignation)
- Senior Management Assistant (Ron Harville, early retirement)
- Senior Account Clerk (David Lewis, early retirement)

All of the above positions vacated through early retirements were approved by the Prop A Committee for retention in the budget, with two exceptions:

- Assistant Director position: The department formerly had two such positions, and now is reduced to one. This remaining position has been vacant since the retirement of Bob Tecco.
- Senior Management Assistant position: This position was eliminated as part of the department's requirement to meet the Mayor's budget reduction target.

Permanent personnel requisitions were submitted for the Senior Purchaser and Purchaser positions listed above, and were approved by the Mayor's Office. The requisitions have not yet been filled, because the tentative eligible lists resulting from the Civil Service examinations have been protested. A hearing of the protests before the Civil Service Commission is scheduled for July 20.

Even after the protest issues are resolved, it is possible that we will not be allowed to fill the positions, due to the recently imposed freeze on vacant positions. The Mayor has frozen all personnel requisitions effective July 1 due to the risk that the City's budget will be underfunded after State budget cuts are finalized.

During the quarter, Bill Jones, Supervising Purchaser, continued to manage two teams of buyers in City Hall, as well as three satellite locations. Mike Ward, Contract Specialist, continued to manage two City Hall buying teams and three satellite units, diverting time from contract consolidation work.

PROCUREMENT SERVICES

4th Quarter Highlights and Accomplishments (continued)

As described under the Comments Regarding Performance Indicators section of this report, the staffing shortage exacerbated the 4th quarter surge problem. Average processing time for purchase orders awarded during the quarter was nearly 30 days. This is the highest processing time ever recorded in the document tracking system.

• Purchasing operations

-- signature authority levels: The Delegation of Signature Authority Regulations were revised to raise the signature signing limits for bid evaluation, purchase orders, TPA's, and contracts. Limits were raised as follows:

Purchaser	up to \$25,000
Senior Purchaser	up to \$50,000
Contracting Specialist	over \$50,000
Supervising Purchaser	over \$50,000

The increased limits reduced the internal review steps required, and thereby speeded up document processing time. Without this change, processing time would have increased even more during the 4th quarter due to staff vacancies.

• MFAC

We worked with the MFAC subcommittee and the CAO to develop a presentation to the Mayor on the committee's findings and recommendations. The primary recommendations were:

-- Purchasing should continue to focus efforts on:

- expanding use of annual contracts;
- implementing the automated procurement system.

-- Purchasing should focus staff resources on higher value purchases by:

- raising thresholds for informal bidding, and/or;
- delegating authority to departments to purchase low-value items.

As described below, in response to the second recommendation, we have already implemented changes to streamline the process for orders below \$2,500; however, we are not delegating more authority to departments at this time.

PROCUREMENT SERVICES

4th Quarter Highlights and Accomplishments (continued)

• Procedures development/training program/legislation/communications

With the passage of Proposition H, we will now clarify responsibilities in the equipment area. We will be working with the Controller to identify Admin Code changes that should be made commensurate with the Charter change; we then will revise Chapter 800 of the Purchasing Procedures Manual to reflect all of these changes.

Purchasing and the Controller reviewed the procedures for Direct Payment Vouchers, and determined that DPV's should be used for more types of transactions. We issued Purchasing Directive 92-9 to all City departments announcing the changes. The Purchasing Procedures Manual was revised to add this directive.

Drafting continued on the competitive bidding procedures section of the Procurement Manual.

Other activities:

- revised procedures for orders below \$2,500: To reduce paperwork and streamline the ordering process, we discontinued the policy of requiring written confirmation of phone bids below \$2,500.
- Buy Recycled Ordinance: After passage, we sent a memo to all Purchasing employees outlining our commitment to the program.
- MBE/WBE Ordinance: We submitted comments on the extension of this ordinance. Our suggestion to eliminate the requirement for an MBE/WBE affidavit was not accepted; but our suggestion to no longer require that the affidavit be notarized was accepted.
- Federal Transit Administration audit: Materials were submitted, through PUC management, to the Federal Transit Administration as required as it begins its audit of the Municipal Railway.
- HRC issues: HRC was responsive to our suggestions regarding the expediting of 12B workforce approvals.
- Library of City Attorney opinions: We consolidated 60 years of City Attorney opinions and memos related to purchasing into an on-line library, and published a listing of them in the Procurement Manual.

PROCUREMENT SERVICES

4th Quarter Highlights and Accomplishments (continued)

• Procurement System Project (POPS)

- Pilot project: Implementation of the Core procurement functions at the Airport is proceeding very well. All modules except purchase order production are in place.
- End user entry module: We held a series of meetings with Airport staff to finalize detailed requirements for this module, and programming has begun. We plan to begin testing at the Airport by September; however, one of the contract analysts left at the end of June, and replacing him will affect this schedule.
- Security issues: Development of the End User Module is raising broad policy questions regarding system security. Questions that must be resolved include:
 - How do we, or can we control and manage access to POPS?
 - What risks are associated with it?
 - What are the security and audit issues generated by POPS but which must be addressed by other departments and systems?
 - Who is responsible for ensuring security at and from remote locations? Can we realistically require that remote users meet certain minimum standards to access POPS?

These and other security issues must be addressed if we are to encourage and support remote access to POPs. In doing so, we will look to EIPSC, Telecommunications Steering Committee, and ISD and the Controller's Audit Division for assistance and direction.

- Local area network: Installation of the LAN in the central office was completed in June, and it will be expanded between July and December. Right now it is used primarily to access the IBM mainframe for the POP system.
- Encumbrance interfaces: These have been defined for POs and will be developed for the Airport pilot test.
- Expanded Access to Vendor Database: The Department of Public Health Contracts Office now has access to the Vendor/Commodity Database. We established commodity/service codes for health services, and we are now working with DPH to develop an automated interface from them. Rec/Park also initiated plans to access the database.

PROCUREMENT SERVICES

4th Quarter Highlights and Accomplishments (continued)

- Oracle project: We continued to participate with Controller's Office staff on the Oracle project.
- Central Shops data entry: We developed and implemented a new Data Entry Sub-System for Central Shops as the front end to the existing Mainframe based reporting systems. ISD stopped doing data entry for this system on June 30, and the new sub-system replaces that function. It allows us to continue using the mainframe reporting system until a new system is selected for Shops in 92/93.

• User department training

An outline was developed for a user department training program focusing on "how to prepare a requisition for purchase order." One major impetus for such a training program has been identified by the commodity coding staff: to train and encourage City department staff in employing standard commodity descriptions when they are preparing their requisitions. This will enable our commodity coding staff more readily to identify the commodities and assign the correct codes used in the procurement system.

The training would be provided at two levels:

- general training on the requisitioning forms and process;
- specific training on requisitioning of particular commodities.

The general training would be provided bimonthly, and the specific training would be provided monthly or as-needed.

Development of the training program should be completed this quarter.

• Term contracts. Term contracts awarded or extended during the quarter:

- Medical and Surgical Supplies #I
- Medical and Surgical Supplies III
- Lime, Unslaked
- Equipment Rental (Without OP)
- Antifreeze and Engine Coolant
- Vehicle Parts
- Fasteners, Drills and Reamers
- Fittings, Ductile Iron
- Meters, Water, Cold, Displac Type
- Glass
- Foods, Frozen and Chilled
- Groceries (Camp Mather)
- Decals, Permits, Residential Parking
- Magnetic Stripe Tickets

PROCUREMENT SERVICES

4th Quarter Highlights and Accomplishments (continued)

Term contracts reviewed during the quarter, and in various stages of the procurement process (preparation, bid, evaluation), included:

- Bearings and Oil Seals
- Castings
- Gate Valves
- Paint and Painters Supplies
- Glass
- Disposable Bags, Plastic
- Janitorial Paper Products
- Computer Paper
- Security Guard Service (Zoo)
- Animal Food and Feed (Rec and Park)
- Garden Chemicals and Supplies
- Car Cards (Worker of the Month)
- Statement, Mailing
- Binding of Paperback Books
- Binding of Periodicals
- Power and Hand Tools
- Signs, Traffic Control
- Electrical Supplies
- Athletic Supplies
- Safety Supplies
- Overall and Coverall Rental Service
- Cleaning Service/Candlestick Park
- Rental of Portable Rest Rooms and Office Facilities
- Chemicals: Reagents, Tabs and Strips
- Disposition of Indigent Dead
- Aluminum Sulphate/Liquid Aluminum
- Sodium Bisulfate
- Legal Process Service
- Janitorial and Landscape Service
- Security Guard Service (Port)
- Security Guard Services (DSS)

New term contract areas identified during the quarter:

- Roofing Materials
- Wire Rope (Port)
- Towing (Large Vehicles)
- Crane Maintenance (Port)
- HVAC Maintenance Service (Buildings)

PROCUREMENT SERVICES

4th Quarter Highlights and Accomplishments (continued)

- Purchasing issues at San Francisco General Hospital

SFGH management and materials management staff did not schedule any meetings with us to review purchasing issues since our last report.

- Staff meetings

A program of monthly staff meetings for training and communications was initiated for the central office buying teams. The meetings included the Supervising Purchaser and Contracting Specialist, all Purchasers, and clerical support staff. Topics covered include a wide variety of technical, procedural, and general office issues. Feedback received on the meetings so far has been favorable.

- MBE/WBE participation

Accompanying this report is a copy of the report submitted to the Mayor on Purchasing's MBE/WBE performance. The report describes:

- contract dollars awarded
- vendor outreach efforts

SFGH data is still being reported separately from the rest of the department, while the accuracy of the data is continuing to be reviewed.

PROCUREMENT SERVICES

Performance Indicators

• Purchase orders processed and average processing time

The total document volume during the 4th quarter was high, as expected, with over 2,500 orders being awarded during the quarter (figures from central office tracking system, do not include PUC and SFGH).

Average processing time was the highest of any quarter since the tracking system was implemented. The average time was nearly 30 days. Quotation orders in particular showed a large increase; average processing time was over 50 days, and normally this is around 35 days.

• Purchase order payment processing time

Performance regressed significantly during the quarter, due to a 25% staffing shortage throughout the quarter. The number of payments processed within 5 days of receipt of the MRR declined to 50%, although nearly 80% still were processed within 10 days of receipt of the MRR.

• MBE/WBE procurement levels

As described in the attached report submitted to the Mayor on Purchasing's MBE, WBE, and LBE performance during the quarter, our MBE/WBE procurement levels, for awards made to San Francisco-based firms only, were as follows:

MBE Procurement

	<u>PO's</u>	<u>TPA's</u>	<u>Total</u>
Central Office/PUC combined	51.0%	9.8%	36.0%
SFGH			NA

WBE Procurement

	<u>PO's</u>	<u>TPA's</u>	<u>Total</u>
Central Office/PUC combined	5.7	11.3	8.0
SFGH			NA

The accompanying graph is based on Central Office purchase orders only.

PROCUREMENT SERVICES

Summary of progress against objectives for FY 91/92

• Organization and staffing:

-- Hire second Supervising Purchaser.

Done; however, one Supervising Purchaser position was later vacated through early retirement.

-- Hire new Contracting Specialist, two Purchasers dedicated to SFGH, and Purchaser for DPW Water Pollution Control.

The Contracting Specialist was hired. Hiring of Purchasers for SFGH has been delayed, primarily because of pending budget reviews and staffing issues within the hospital. Hiring of the Purchaser for DPW Water Pollution Control also was put on hold until it is determined that there is sufficient workload there to warrant the position. It is possible that the position will be used to perform a buying/expediting function within DPW.

-- Continue buyer rotation.

John Hallahan, formerly assigned to the central office, was assigned full time to be senior purchaser at the PUC.

Doug Goodspeed, formerly senior purchaser at DPW Army Street, was assigned to DPW Water Pollution Control (prior to his retirement).

George Rosenberger, formerly senior purchaser at DPW Water Pollution Control, was reassigned to DPW Army Street.

Other rotations had to be deferred due to attrition and Prop A retirements.

• Automation. Continue implementation of the automated procurement system, including:

-- completion of implementation of core functions at Airport pilot site and central office;

Testing at the Airport began in November and has been going well. All Core functions are in place except purchase order production, which is expected to be finished by September.

Implementation in the central office has not yet begun due to the need to establish the LAN to provide access to the Controller's mainframe, and other factors. Implementation is expected to start in September.

PROCUREMENT SERVICES

Summary of progress against objectives for FY 91/92 (continued)

- development and implementation of expanded end user modules;

Development began in May and is expected to be completed in October (pending replacement of one contractor analyst). Testing and implementation is scheduled to begin in August and be completed in December, at both the Airport and the PUC.

- development of encumbrance- and payment-related interfaces to Controller systems, contingent on Controller's long-term plans to develop a new financial system;

Encumbrance interfaces were defined for purchase orders, and will be developed for pilot test at the Airport scheduled to start in July.

Payment interfaces are still being considered, but no development work has taken place. We will be looking at payment interfaces as part of our involvement in the Oracle project.

- continued development of modules requiring input from the HRC system, contingent on staffing and funding support from HRC.

The existing interface with the HRC system was maintained throughout the year, for vendor certification data.

Implementation of the core system in the central office will generate a large amount of bidding data and statistics that previously have been unavailable, such as:

- which vendors bid or do not bid on particular orders;
- which bidders are successful and which are unsuccessful in winning awards;
- what is the impact of MBE/WBE preferences on awards made.

It is possible that HRC will want an interface from the procurement system to provide such information for HRC's own use; however, development again will be contingent on funding support from HRC.

- Procedures development. Continue:

- preparation of the Procurement Manual;
- revisions to Purchasing Procedures Manual for user departments;
- revision of the City's contractual documents;
- monitoring progress of legislation, and implementing procedural changes as necessary.

PROCUREMENT SERVICES

Summary of progress against objectives for FY 91/92 (continued)

The vendor brochure, "How to Do Business with the City and County of San Francisco" was published.

The goal of publishing the competitive bidding sections of the Procurement Manual has not yet been achieved. Internal review by the buying staff is almost complete, and revision is expected to be done in the 1st quarter.

The Purchasing Procedures Manual was revised twice, first to add the updated version of the Model Personal Services Contract, second to add the Purchasing Directive on DPV's.

We submitted two implementation reports each for the South Africa Divestment Ordinance and the Tropical Hardwoods Ordinance.

We worked closely with the various City offices on both the Buy Recycled legislation and the extension of the MBE/WBE Ordinance.

- Consolidating contracts. Continue to focus on the consolidation of contracts Citywide.

During FY 91/92, Purchasing consolidated and developed over fifteen new commodity/service term contracts. A few of the major contract areas are:

- vehicle parts;
- surplus property (vehicles);
- energy-efficient lighting;
- drugs (cooperative agreement with LA County).

Progress unfortunately was constrained by the severe staffing shortage experienced during the latter half of the year due to the hiring freeze and Prop A retirements. Staff time had to be diverted away from contract development work to staff supervision and regular buying duties.

- MBE/WBE participation. Continue outreach efforts, and complete development and implementation of buyer incentive program.

- Outreach efforts. The MBE Unit continued actively to recruit new vendors, attending several major outreach events during the year to provide visibility in the community for City purchasing. Of special note this year was the Northern California Purchasing Council (NCPC) Symposium on Minority Purchasing Issues held in September at the Marriott Hotel in San Francisco. A complete list of the events we participated in this year is attached.

PROCUREMENT SERVICES

Summary of progress against objectives for FY 91/92 (continued)

This year the MBE Unit nominated Supervisor Willie Kennedy and former Supervisor Doris Ward for the MED Week Minority Advocate of the Year Award. They won the award for the Western Region, and will be honored at the MED Week Reception in September. This will help us gain recognition for our MBE/WBE program.

We also continued the publication of our weekly "Bid and Contract Opportunities" bulletin, which has proven to be an effective outreach tool for the program. The MBE Unit currently distributes over 1200 copies of the bulletin each week to 750 MBEs and WBEs, 100 community organizations and minority and women's chambers of commerce and professional organizations, 275 paid subscribers, and approximately 75 departmental representatives. This year we collected over \$17,000 in subscription fees to help to offset some of the costs of printing and mailing.

A new activity is the marketing of the booklet "How to do Business with the City of San Francisco" through mail order by the MBE Unit. We have marketed the booklet very heavily to MBE and WBE vendors and other readers of our newsletter. This activity helps to serve an educational need that we cannot always meet given staff limitations.

We also did a targeted mailing for the HRC workshop on Bonding and Insurance because this has been a problem area for MBEs and WBEs.

- Buyer incentive program: The guidelines for the Buyer Incentive Program have been developed, and this year's awards will be given for during MED Week '92, in the last week of September. We hope to make our awards at a public event so that the buyers will receive more recognition.

- Buyer training. Continue the training program for the buying staff.

We arranged with the California Attorney General's Office to present two training sessions on antitrust law, which were attended by staff from Purchasing and several other City departments.

A program of monthly staff meetings for training and communications was initiated for the central office buying teams was initiated. The meetings included the Supervising Purchaser and Contracting Specialist, all Purchasers, and clerical support staff. Topics covered include a wide variety of technical, procedural, and general office issues.

Other formal technical training sessions for Senior Purchasers and Purchasers were deferred. The needs for further training, and the type of training to best fulfill those needs, are being reassessed.

Several staff members attended supervisorial training classes provided by Civil Service's Management Development Unit.

PROCUREMENT SERVICES

Summary of progress against objectives for FY 91/92 (continued)

- User department training. Conduct training for user department staff on purchasing policies and procedures, with special emphasis on purchase planning.

We met with Civil Service Training Unit, along with a representative from the Controller's Office, to explore the possibility of our jointly conducting training for user departments in the City's procurement process. Civil Service indicated that it would not be able to serve as coordinator of the training program, due to staffing limitations.

Some preliminary work was begun on developing our own training program for departments, one that would be simpler than the one put on several years ago; however, development and implementation of the training program had to be put on hold due to purchasing workloads and vacancies.

- Planning of equipment purchases. Obtain data from Controller's Office systems regarding approved equipment budgets for FY 91/92, and analyze if this information can be used to forecast and plan equipment purchases by City departments.

Data was obtained from the Controller's Office regarding approved equipment budgets, but the reports were not adequate to support analysis of the City's equipment budget at the line item level. Additional programming is needed for acceptance of sub-object information, and we recommended that change to the Controller's Oracle project staff

- Clerical support issues

-- Automation. Modify procedures, train staff, and reorganize clerical support functions as needed in conjunction with implementation of the automated procurement system.

Clerical staff have been trained on some aspects of the vendor database. We will need to begin more training and modification of procedures as implementation of the core functions of the procurement system begins in September.

- Clerical support to procurement services. Continue work with purchasing managers and buyers to review clerical support.

Based on discussions among buying managers and clerical support supervisors, it was decided that the current organization of clerical support would be maintained.

A regular schedule of staff meetings involving all buyers and clerical support staff was established. This has facilitated the communication and resolution of office support issues.

PROCUREMENT SERVICES

Summary of progress against objectives for FY 91/92 (continued)

- File organization and storage. Review and standardize organization of various document files. Inspect files remaining in storage at Central Warehouse, destroy unneeded files, and send retained files to vendor for storage.

Done.

- Other items

Note: This section covers items in the 8-14-91 "Action Item Outline" that are not covered elsewhere in this report.

- B.2. MBE/WBE. Develop a plan to review whether PUC's raw data should be consolidated into Purchasing's report to the Mayor. If yes, plan to consolidate by second report.

PUC data was consolidated in the second quarter.

- B.4. Develop one-page outline of SFGH issues that need to be generally discussed with Baxter, new SFGH director, and CAO.

Rather than a one-page outline, a five-page issues document was sent to SFGH management in early FY 91/92 regarding procurement problems and opportunities within the hospital.

- B.6. a. Status of audit action items:

No action has been taken by the City Attorney's Office regarding Supervisor Kennedy's March, 1991, to draft legislation to implement the audit's recommendations (except for the Charter amendment regarding inventory responsibilities).

- B.8. a. Reserving of unspent M&S funds.

In discussing the idea of reserving departments' M&S funds not spent each quarter, the consensus was that the idea is not practical administratively or from a systems standpoint.

- b. Determine if Controller's Office can produce bar charts of departmental purchases over time.

The creation of multi-year bar charts would be very cumbersome, requiring the loading into spreadsheets of data from numerous manual reports of departmental purchasing by subobject and type of document. We have recommended to the Oracle Project team that the new accounting system provide this facility.

PROCUREMENT SERVICES

Summary of progress against objectives for FY 91/92 (continued)

B.10 Buyer incentive program.

Several outside training programs were identified to which a few buyers could be sent within our small training budget. The staffing shortage precluded sending anyone to outside training during the last half of the fiscal year.

Two people were sent to supervisorial training provided by the Civil Service Management Development Unit.

B.11. Meet with DPW regarding earthquake construction in City Hall basement to assess impact on Reproduction and Mailroom.

We raised the possibility of permanently relocating the two operations into the southwest corner of City Hall, rather than moving back into the current locations after the seismic work is completed. We have been interested in consolidating the two operations for a long time, due to physical problems with the current facilities, and to facilitate staff productivity.

We met with the two current occupants of the proposed space, which are the Board of Supervisors (Assessment Appeals Board) and Controller's ISD. We also discussed this issue with Public Works staff, and there do not appear to be any major obstacles to the relocation. The primary issue will be the cost of reconfiguring the space and moving the operations once, in comparison to costs of maintaining the operations in their current locations.

PROCUREMENT SERVICES

Proposed objectives for FY 92/93

- Organization and staffing:
 - Refill vacated Supervising Purchaser, Senior Purchaser, and Purchaser positions. Assign responsibility for central office buying teams to one Supervising Purchaser, responsibility for the satellite units to the other.
 - Continue buyer rotation.
- Automation. Continue implementation of the automated procurement system, including:
 - Complete the development of the core procurement, end user, and other functions (a revised schedule is included on a following page);
 - Continue to participate in the Oracle project and assess its impact on POPS. Evaluate the procurement application of the Oracle Financials software to determine whether we should plan to migrate to it.
 - Establish service codes for non-commodity vendors so that the HRC can use these Citywide codes;
 - Complete the installation of the LAN by December, and migrate off of the Wang VS;
 - Rewrite and refine the Document Tracking System for the LAN;
 - Implement a training program for staff on PC and LAN software.
- Procedures development/training program/legislation/communications
 - Publish Chapters 300 and 800 of the Purchasing Procedures Manual. Review other chapters to determine which should be updated and published next.
 - Continue development of the Procurement Manual, and publish the sections on competitive bidding procedures.
 - Continue revision of the City's contractual documents; monitoring progress of legislation; and implementing procedural changes as necessary.

PROCUREMENT SERVICES

Proposed objectives for FY 92/93 (continued)

- Purchasing operations: Address various operational needs and issues such as:
 - evaluating signature level authorities and conducting post-audits;
 - developing a workload measurement system for buying staff, to facilitate more efficient distribution of workloads;
 - updating and standardizing operating procedures including: bid/quotation processing; invoice processing; front counter operations; intra-office mail distribution;
 - improving office support facilities in the areas of: photocopy machines; fax machine; central files.
- Consolidating contracts. Continue to focus on the consolidation of contracts Citywide. Ten primary commodity/service areas already have been identified as candidates for consolidation, a few of which are:
 - general hardware;
 - HVAC maintenance (buildings);
 - towing (City vehicles);
 - car phones.
- MBE/WBE participation. Continue outreach efforts and implement the buyer incentive program. Participate in training program for user departments on "How to Prepare a Requisition for Purchasing Order," to provide end-user training on MBE/WBE considerations.
- Buyer training. Review the needs for further internal buyer training sessions. Participate in training programs provided by professional training organizations and the Civil Service Management Development Unit, within limited training budget.
- User department training. Develop and implement training for user department staff on "How to Prepare a Requisition for Purchase Order."
- Central Warehouse.
 - Continue preparation of the operating procedures manual. Complete sections regarding:
 - surplus property disposal;
 - property transfers to/from departments;
 - sales to contractors and the general public.

PROCUREMENT SERVICES

Proposed objectives for FY 92/93 (continued)

- Develop and implement a database system to track the movement of surplus materials to and from the Central Warehouse.
- Develop and publish a quarterly newsletter regarding the types and amounts of surplus property available for reissue to City departments.
- Monitor contractor performance in surplus vehicle sales.
- Formally transfer vehicle registration function to Central Shops.
- Continue development of the earthquake preparedness program, and attend emergency management training in San Luis Obispo.
- If required, obtain hazardous materials permits for the Central Warehouse and Room 59 City Hall.

Purchasing Department Quarterly Report
 FY 91/92, 4th Quarter
 FY 91/92, Year-end Report

PROCUREMENT SERVICES

POPS -- Target Dates for Functions in Test and Production

<u>Function</u>	<u>Status</u>	<u>Site</u>	<u>Target Timeframe</u>
CORE Procurement	Development		thru Sept '92
	Test	Airport	Nov '91 - Sept '92
	"	PUC	begin Nov. '92
	Production	Airport	begin Sept '92
	"	City Hall	begin Sept '92
	"	PUC	begin Jan '92
End User	Development		May - Oct '92
	Test	Airport	Aug - Oct '92
	Test	PUC	Sept - Dec '92
	Production	Airport	Nov '92
	"	PUC	Dec '92
Data Extracts	Development		July - Dec '92
	Test, Prod	TBD	
Encumbrance Interfaces	Development		July - Oct '92
	Test	Airport	Oct '92
Receiving	Test	Airport	Oct - Dec '92

Function Descriptions

CORE: key purchasing activities as performed by Purchasing staff: requisitioning, bidding, bid analysis, vendor selection, purchase order production

End User Entry: activities which allow users in other city departments to enter, query, and approve RPO, monitor RPO and PO status

Encumbrance Interfaces: activities to enter, edit, review and secure Controllers approval to transmit encumbrance and preencumbrance transactions to FAMIS; receive transaction status from FAMIS

Data Extracts: activities to create automated data extracts for reporting, analysis, and printing on local computers and systems.

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PROCUREMENT SERVICES

MBE/WBE Outreach Events
1991-92

July 1991	Joint Venture Workshop Human Rights Commission State Building San Francisco, CA	100 vendors
July 1991	Bonding Workshop City of Oakland Parc Oakland Hotel Oakland, CA	75 vendors
September 1991	Minority Business Census Data Workshop U.S. Bureau of the Census Federal Building San Francisco, CA	Public Agencies Only- No vendors
April 1992	Bonding and Insurance Workshop Human Rights Commission State Building San Francisco, CA	100 vendors
May 1992	Symposium on Minority Purchasing Issues Northern California Purchasing Council (NCPC) Marriott Hotel San Francisco, CA	150 vendors
June 1992	MBE Corporate Coordinators Exchange (NCPC) Kaiser Permanente Oakland, CA	50 vendors

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PROCUREMENT SERVICES

MBE/WBE Outreach Events
1991-92

July 1991	Asian Business Association Networking Mixer San Francisco, CA	75 vendors
September 1991	California Lottery Trade Fair Parc Oakland Hotel Oakland, CA	50 vendors
September 1991	Minority Business Development Agency (MBDA) MED Week Awards Reception Mark Hopkins Hotel San Francisco, CA	250 vendors
October 1991	Airport Contracting Workshop Cathedral Hill Hotel San Francisco, CA	125 vendors
October 1991	Northern California Purchasing Council (NCPC) MBE Opportunity Faire Oakland Convention Center	250 vendors
December 1991	Graphic Design and Promotional Advertising Expo East Bay Municipal Utilities District - NCPC Oakland, CA	25 vendors
May 1992	Indo-American Chamber of Commerce Hyatt Fishermans Wharf San Francisco, CA	30 vendors

REPORT TO MAYOR ON MBE, WBE, LBE PERFORMANCE
QUARTERLY REPORT ON GOOD FAITH EFFORTS
4th Quarter 1991-92

DEPARTMENT FILING REPORT Purchasing Department
PERSON FILING REPORT Ben Kawamura 554-6749
FOR PERIOD COVERING April 1992 to June 1992

DATE: July 15, 1992

	<u>SF ONLY</u>	<u>BAY AREA</u>
1. TOTAL CONTRACT DOLLARS AWARDED BY DEPARTMENT, AGENCY, BOARD, COMMISSION	\$ 19,255,351	\$ 40,592,890
a. CONTRACT DOLLARS AWARDED TO NON-PROFITS	(-0-)	(-0-)
b. CONTRACT DOLLARS AWARDED BASED ON WAIVERS, EXCLUSIONS, SOLE-SOURCE (PROPRIETARY, SPECIAL SERVICES)	(7,193,825)	(16,518,119)
NET TOTAL (1 minus a & b)	<u>\$12,061,526</u>	<u>\$ 24,074,771</u>
2. PRIME CONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE)	\$ 4,328,900	\$ 4,557,273
PERCENTAGE TO NET TOTAL	<u>36.0%</u>	<u>18.9%</u>
a. SAN FRANCISCO-BASED BUSINESSES	4,328,900	4,328,900
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	228,373
3. PRIME CONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE)	\$ 937,824	\$ 955,733
PERCENTAGE TO NET TOTAL	<u>8.0%</u>	<u>4.0%</u>
a. SAN FRANCISCO-BASED BUSINESSES	937,824	937,824
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	17,909
4. SUBCONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO BASED BUSINESSES	-0-	-0-
5. SUBCONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	-0-

Notes:

1. This report represents total spending on Purchase Orders and Term Purchase Agreements.
2. This report covers all purchasing locations except SFGH, which is reported separately.
3. Waivers (Line 1b) to Digital Equipment Corp. for \$2,107,412; Sunset Scavenger for \$1,083,105; and Pacific Bell and AT&T for \$1,681,116.

REPORT TO MAYOR ON MBE, WBE, LBE PERFORMANCE
 QUARTERLY REPORT ON GOOD FAITH EFFORTS
 4th Quarter 1991-92

DEPARTMENT FILING REPORT Purchasing Department
 PERSON FILING REPORT Ben Kawamura 554-6749
 FOR PERIOD COVERING April 1992 to June 1992

DATE: July 15, 1992

	<u>SF ONLY (PO)</u>	<u>BAY AREA (PO)</u>
1. TOTAL CONTRACT DOLLARS AWARDED BY DEPARTMENT, AGENCY, BOARD, COMMISSION	\$ 10,571,528	\$ 19,350,683
a. CONTRACT DOLLARS AWARDED TO NON-PROFITS	(-0-)	(-0-)
b. CONTRACT DOLLARS AWARDED BASED ON WAIVERS, EXCLUSIONS, SOLE-SOURCE (PROPRIETARY, SPECIAL SERVICES)	(2,940,064)	(4,843,304)
NET TOTAL (1 minus a & b)	<u>7,631,464</u>	<u>14,507,379</u>
2. PRIME CONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE)	\$ 3,893,069	\$ 3,985,333
PERCENTAGE TO NET TOTAL	<u>51.0%</u>	<u>27.4%</u>
a. SAN FRANCISCO-BASED BUSINESSES	3,893,069	3,893,069
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	92,264
3. PRIME CONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE)	\$ 436,977	\$ 447,386
PERCENTAGE TO NET TOTAL	<u>5.7%</u>	<u>3.0%</u>
a. SAN FRANCISCO-BASED BUSINESSES	436,977	436,977
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	10,409
4. SUBCONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO BASED BUSINESSES	-0-	-0-
5. SUBCONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	-0-

Notes:

1. This report represents total spending on Purchase Orders only.
2. This report covers all purchasing locations except SFGH, which is reported separately.
3. Waiver (Line 1b) to Digital Equipment Corp. for \$2,107,412.

REPORT TO MAYOR ON MBE, WBE, LBE PERFORMANCE
QUARTERLY REPORT ON GOOD FAITH EFFORTS
4th Quarter 1991-92

DEPARTMENT FILING REPORT Purchasing Department
PERSON FILING REPORT Ben Kawamura 554-6749
FOR PERIOD COVERING April 1992 to June 1992

DATE: July 15, 1992

	<u>SF ONLY</u> (TPA)	<u>BAY AREA</u> (TPA)
1. TOTAL CONTRACT DOLLARS AWARDED BY DEPARTMENT, AGENCY, BOARD, COMMISSION	\$ 8,683,823	\$ 21,242,207
a. CONTRACT DOLLARS AWARDED TO NON-PROFITS	(-0-)	(-0-)
b. CONTRACT DOLLARS AWARDED BASED ON WAIVERS, EXCLUSIONS, SOLE-SOURCE (PROPRIETARY, SPECIAL SERVICES)	(4,253,761)	(11,674,815)
NET TOTAL (1 minus a & b)	<u>4,430,062</u>	<u>9,567,392</u>
2. PRIME CONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE)	\$ 435,831	\$ 571,940
PERCENTAGE TO NET TOTAL	<u>9.8%</u>	<u>5.9%</u>
a. SAN FRANCISCO-BASED BUSINESSES	435,831	435,831
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	136,109
3. PRIME CONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE)	\$ 500,847	\$ 508,347
PERCENTAGE TO NET TOTAL	<u>11.3%</u>	<u>5.3%</u>
a. SAN FRANCISCO-BASED BUSINESSES	500,847	500,847
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	7,500
4. SUBCONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO BASED BUSINESSES	-0-	-0-
5. SUBCONTRACT DOLLARS AWARDED TO ALL WOMAN-OWNED BUSINESSES (WBE-SUBS)	-0-	-0-
a. SAN FRANCISCO-BASED BUSINESSES	-0-	-0-
b. NON-SAN FRANCISCO-BASED BUSINESSES	-0-	-0-

Notes:

1. This report represents total spending on Term Purchase Agreements (TPA) only.
2. This report covers all purchasing locations except SFGH, which is reported separately.
3. Waiver (Line 1b) to Sunset Scavenger for \$1,083,105; Pacific Bell and AT&T for \$1,681,116.

6. Other contract dollars awarded to MBEs, WBEs and LBEs, joint ventures and those that allowed departmental discretion in the selection of vendors.

This quarter the Buying Division made several large awards to MBEs and WBEs on term contracts, contract proposals and quotations. The largest of these are as follows:

SF Independent	Official Advertising	\$ 578,000 (est)	Jeannie Louie
Car Parts Supply	Automobile Parts	\$ 500,000 (est)	Mike Ward
Sunwest Sales	LRV Wheels	\$ 475,952	Tony Fiore
Lucy's Sales	Water Meters	\$ 363,196	Tony Fiore
McCoy's Patrol	Security for Zoo	\$ 286,708	Cynthia Crawford
Link International	Water Meters	\$ 157,587	Tony Fiore
Ramcomp	Workstation ALR	\$ 145,000	Ray Low
Micro Systems Int	Personal Computers	\$ 135,510	Ray Low
W & B Janitorial	Janitorial Service	\$ 96,075	Cynthia Crawford
Hop Sang Meat	Meat and Poultry	\$ 79,736	Beth Tison
McCoy's Patrol	Security Service	\$ 79,061	Cynthia Crawford
Sunwest Sales	LRV Brake Pads	\$ 76,340	Tony Fiore
General Supply	Power Washer	\$ 74,000	Tony Fiore
Hop Sang Meat	Meat and Poultry	\$ 74,639	Beth Tison
Lucy's. Sales	Marking Material	\$ 67,840	Judy Wong
Theisen Glass	Glass	\$ 51,095	George Rosenberger
The Printout	Printing	\$ 50,000	Jeannie Louie
Alexandria Medical	Tubes and Needles	\$ 48,529	Randy Williams
Columbia Produce	Fresh Fruit & Produce	\$ 40,230	Beth Tison
Micro Systems Int	Computers	\$ 36,300	Joe Sealy
Micro Systems Int	Computers	\$ 33,573	Richard Thomas
Ramcomp	Computers	\$ 32,815	Bob Fleming

7. Description of efforts to locate and bring certified MBEs and WBEs into the contracting system.

This quarter MBE Unit staff attended several outreach events in our efforts to locate and recruit new MBEs and WBEs into the program.

In April we attended a workshop on Bonding, Insurance and Finance sponsored by the Human Rights Commission. We assisted the agency by publicizing the event in our weekly newsletter. Our buyer Cynthia Crawford should be recognized for her outreach efforts. With MBE Unit assistance, she contacted MBE and WBE janitorial and security guard firms directly to inform them of this opportunity to learn more about the City's bonding requirements. Bonding and insurance are always required on City contracts.

In May we attended the Northern California Purchasing Council (NCPC) MBE Symposium on Minority Purchasing Issues. The department used the opportunity to develop a closer liaison with key members of the minority community. The presidents of the Hispanic and Black Chambers of Commerce and a representative of ASIAN, Inc. joined us at our table. Supervisor Willie Kennedy, Human Rights Commission Director Ed Lee, Tax Collector, Thad Brown, and Purchasing's Director Marvin Geistlinger represented the City. Approximately 125 MBEs were present at this meeting.

In June we attended the NCPC's MBE Coordinators Exchange which was an open discussion between MBEs and administrators of corporate MBE programs. The purpose of the meeting was to exchange ideas and foster better communications between the two groups. Approximately 50 MBEs were in attendance at this event.

This quarter we also attended a meeting of the Indo-American Chamber of Commerce of Northern California. MBE Unit staff was invited to make a short presentation on the City's MBE Purchasing program. Supervisor Tom Hsieh, HRC Director Ed Lee, and Mike Howland, Regional Director of the SBA were also on the program. Approximately 50 members of the chamber were present.

In other activity, we identified five (5) black-owned car dealerships from an article in the S.F. Chronicle. Richard Thomas, the buyer assigned to the MBE Unit, contacted each company to solicit their participation in our MBE program. We followed up with the appropriate applications.

Also through Mr. Thomas' efforts, we were able to get the Police Department to test an alternate brand of germicidal hand cleaners that were offered by an MBE. The department liked the alternate brand and placed an order. The alternate brand was less than half the cost of the originally specified brand.

Also this quarter we were asked by the Board of Supervisors Economic and Social Policy Committee to help with outreach for the hearings on the renewal of the MBE Ordinance. We assisted by generating mailing labels for each committee meeting where the Ordinance was on the agenda.

8. Description of efforts to use MBEs, WBEs and LBES in day-to-day services of the department, agency, board or commission.

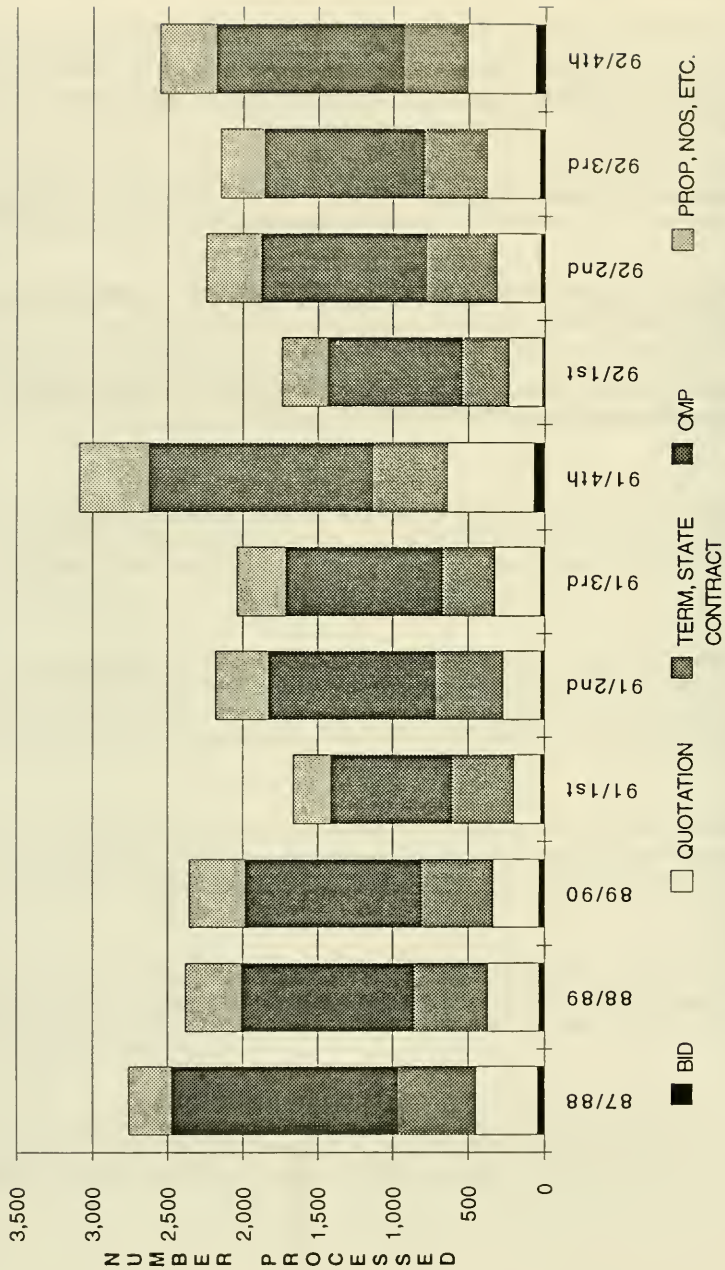
This quarter the department awarded an Automotive Parts contract to an MBE, Car Parts Supply. The principal user of this contract will be the department's Central Shops. The contract is estimated at \$500,000.

The department also awarded a printing contract to an MBE, The Printout. This contract is used primarily by the department's Reproduction Bureau and is estimated at \$50,000.

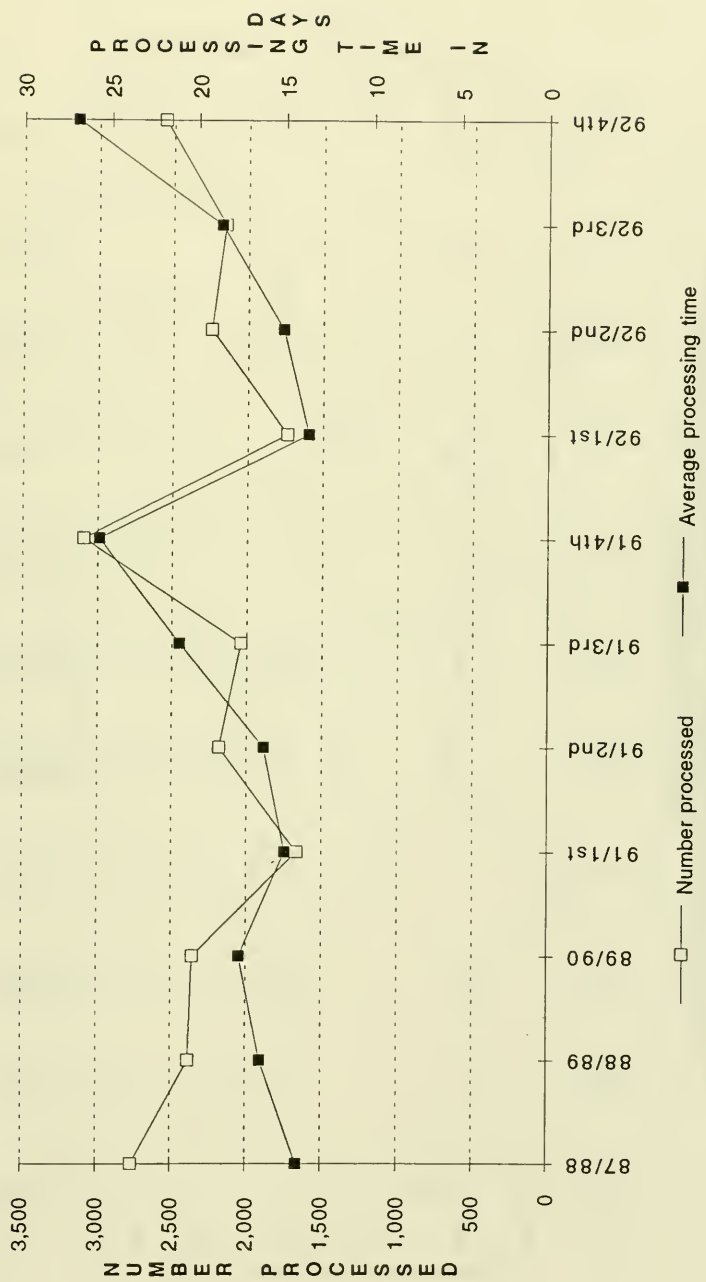
The department's Central Shops is using a WBE, Cal Fleet Works, and an MBE, J & D Brake, to do work on City vehicles.

Out of \$393,657 in purchase orders issued by the department this quarter, \$13,329 (3%) was awarded to WBEs, and \$59,813 (15%) was awarded to MBEs.

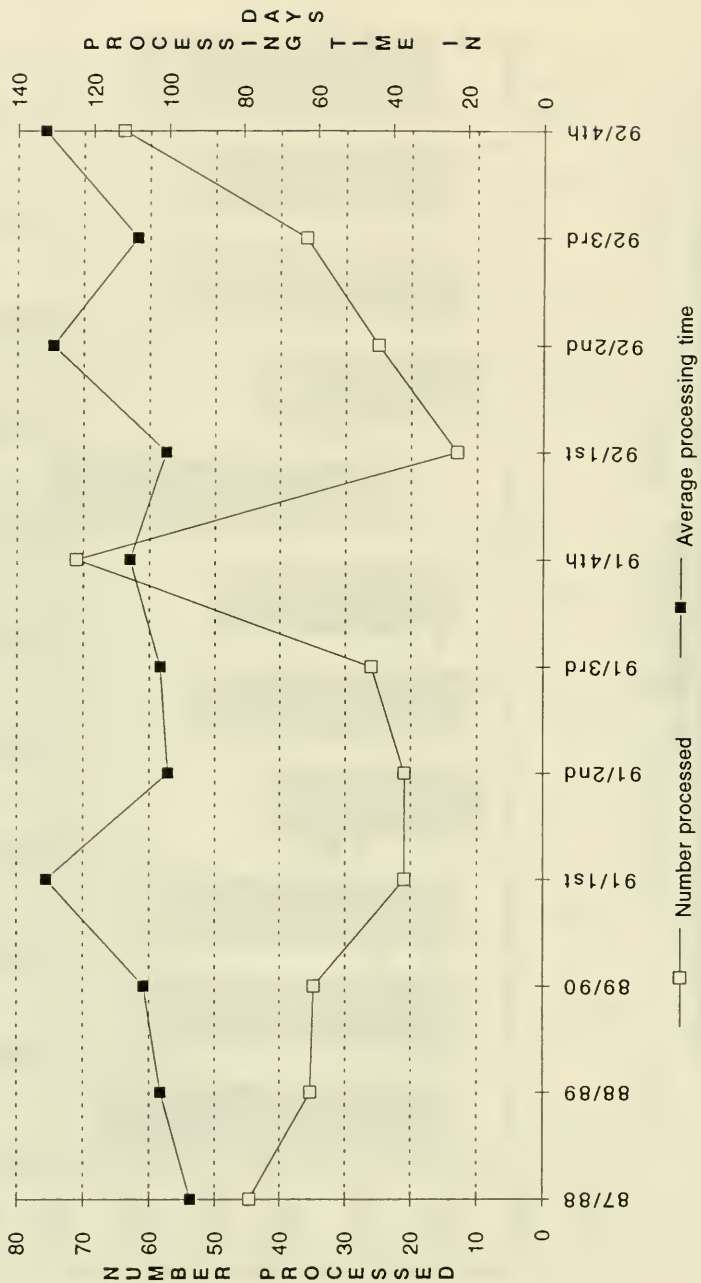
PURCHASE ORDER DOCUMENT VOLUME BY AUTHORITY



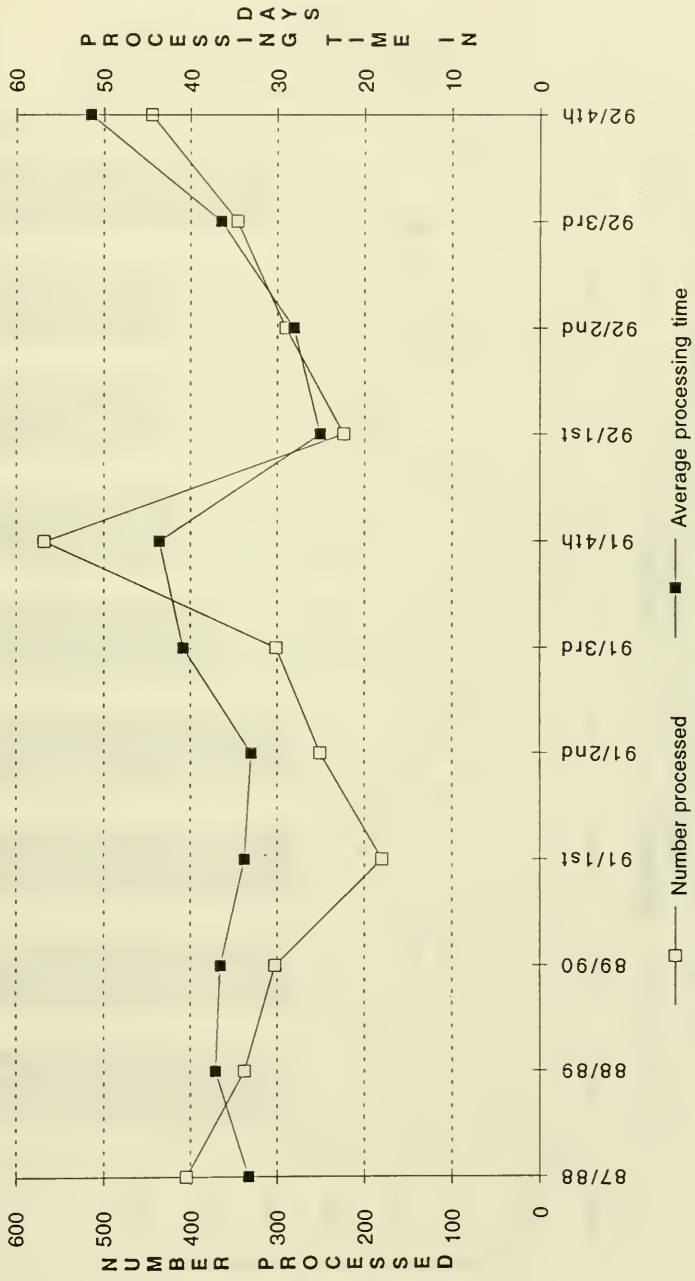
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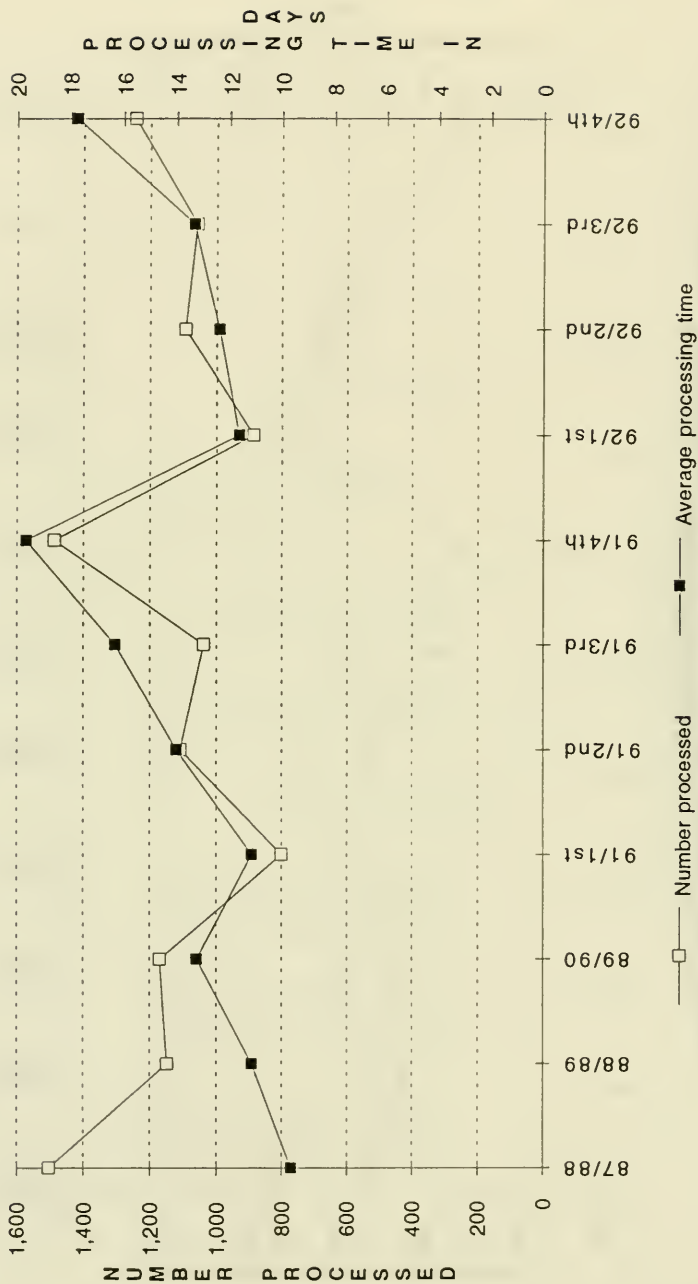
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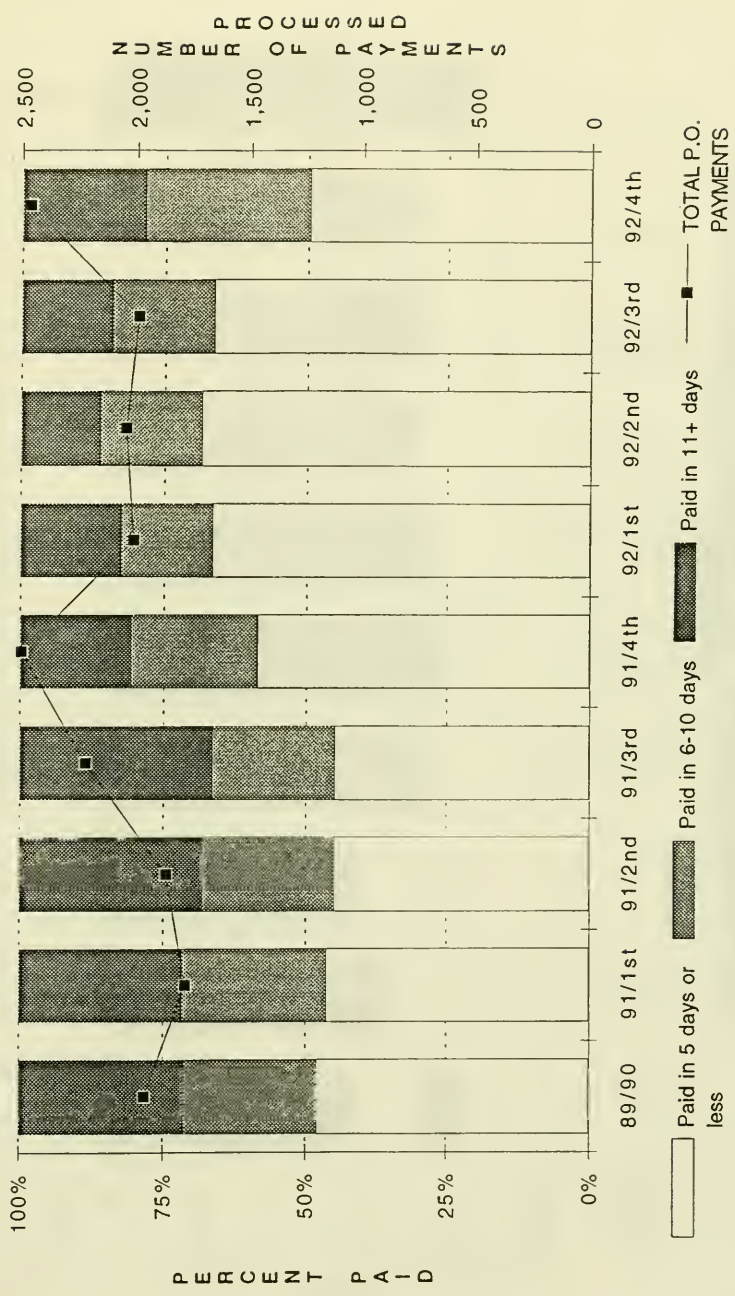
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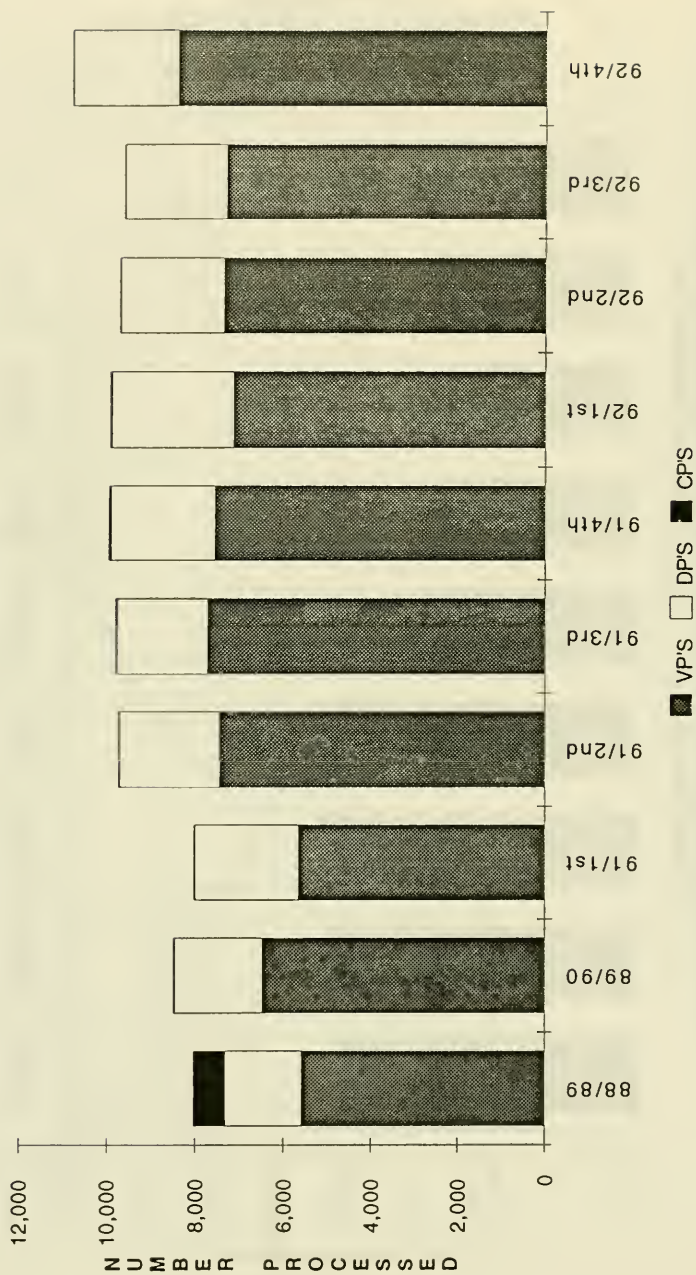
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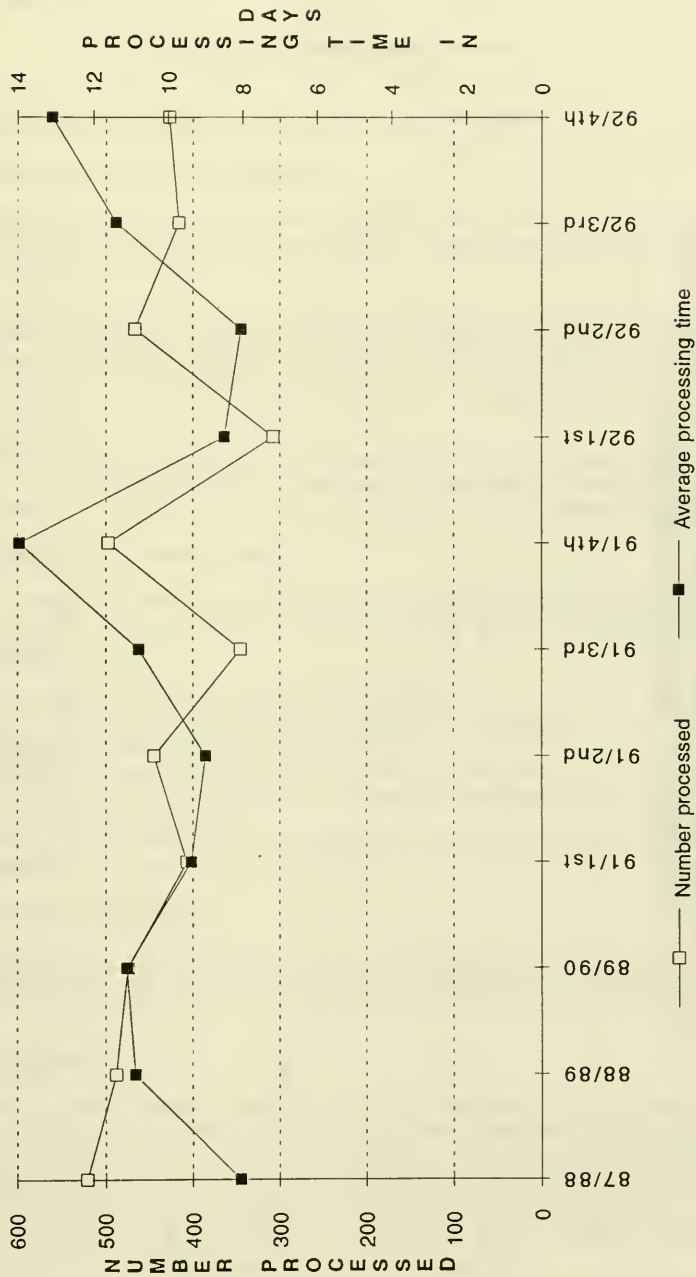
PURCHASE ORDER PAYMENTS VOLUME AND PROCESSING TIME



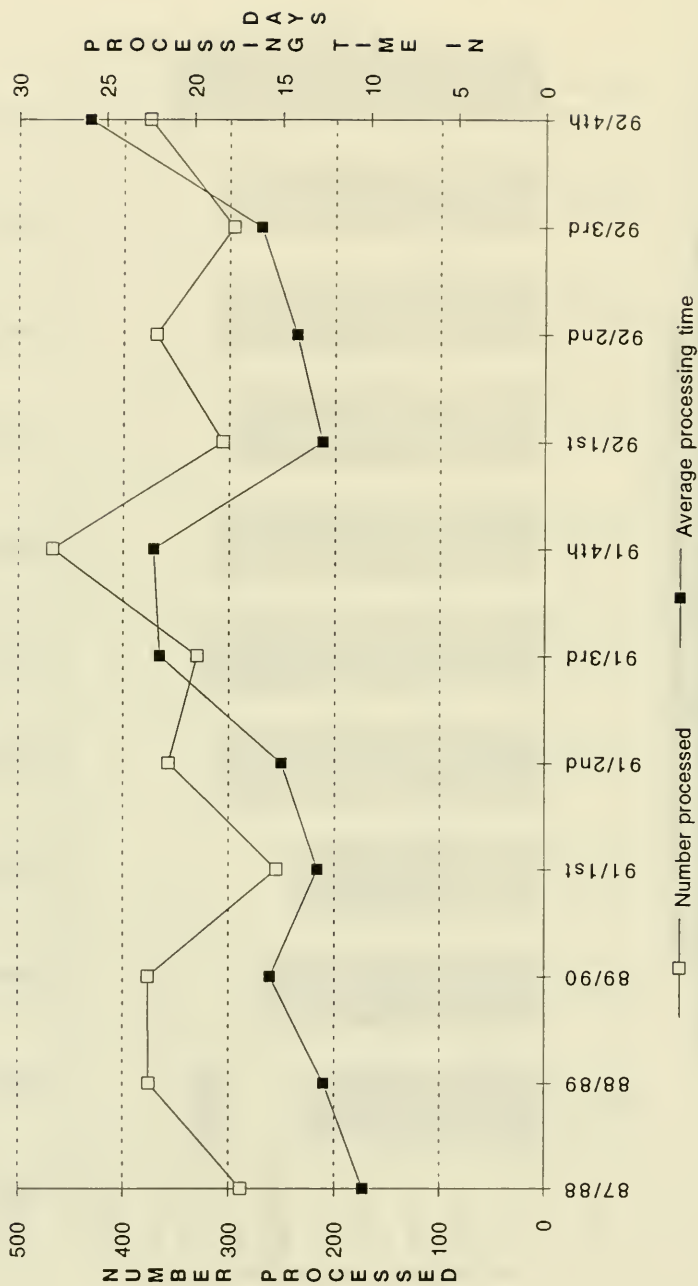
VOUCHER PAYMENTS, DIRECT PAYMENT VOUCHERS, AND CONTRACT PAYMENTS



PURCHASE ORDER DOCUMENT VOLUME AND PROCESSING TIME TERM CONTRACT AND STATE CONTRACT ORDERS



PURCHASE ORDER DOCUMENT VOLUME AND PROCESSING TIME PROPRIETARY, NOS, AND OTHER ORDERS



STOREKEEPING SERVICES

4th Quarter Highlights and Accomplishments

- Decentralization of stores management

Proposition H, the Charter amendment to eliminate Purchasing's responsibility for maintaining departmental inventories, was passed on the June ballot.

The budgetary transfer of storekeeping personnel was implemented in the Mayor's FY 92/93 budget. All storekeeping personnel previously budgeted in Purchasing were reassigned to the budgets of the departments in which the storerooms are located, effective July 1. Purchasing will continue to operate the Central Warehouse and Direct Order Center.

Over 60 storekeeping employees were transferred to other departments effective July 1. Their official employee files were delivered in late June, and were in accordance with the new Civil Service guidelines.

- Hazardous materials storage permits

City departments are now responsible for acquiring and renewing the permits for their own storerooms. The status of permits for storerooms in CAO departments is:

- DPW Army Street: Full term permit received.
- DPW WPC: All work completed, awaiting DPH inspection.
- Telecommunications: on 2nd year renewal.
- Purchasing Central Shops: Full term permit received.
- Purchasing Central Warehouse: Awaiting DPH instruction as to whether a permit is required.
- Purchasing Room 59 City Hall: Awaiting DPH instruction as to whether a permit is required.

- Inventory control procedures

After review by the Controller's audit division, the generic physical inventory procedure was distributed to all departments now responsible for their storerooms.

- Storeroom Inventories

With two exceptions, annual inventories were completed at all locations. Recounts and reconciliations are expected to be completed by mid-July. Value of all inventories will be reported to the Controller by July 30, which is within the Controller's schedule. The exceptions are the Muni Woods and Muni Cable Car storerooms, and estimated values will be reported to the Controller for those storerooms. These two locations will be inventoried by Muni.

STOREKEEPING SERVICES

4th Quarter Highlights and Accomplishments (continued)

- Hazardous Materials Inventories

90% of the manufacturers and vendors have responded to our request to provide us with the most current MSDS's for their products stocked in our storerooms. We are reviewing these MSDS's and updating our Hazard Disclosure database. When this task is completed, reports will be distributed to the departments, DPH, CAO Solid Waste, and PUC Safety. The database also will be provided to the departments on PC discs so they can use them for their own updating.

- Training

We coordinated with DPW to provide annual hazardous materials, back/lifting, and VDT safety training to all stores employees. DPW also conducted safe driver training for all stores supervisors and line workers who frequently operate motor vehicles.

STOREKEEPING SERVICES

Performance Indicators

• Absenteeism

Unscheduled absenteeism improved significantly during the 4th quarter. Three employees accounted for 45% of the total time away from work due to illness/injuries. Of the three:

- one has resigned;
- one is pending settlement of early retirement;
- one has returned to work.

The absenteeism measures for the quarter are presented on the accompanying graphs. Totals for the quarter were:

-- authorized vacation, etc.	6.10%
-- sick leave, etc.	6.30
-- AWOL, suspensions	<u>0.20</u>
Total	12.60%

STOREKEEPING SERVICES

Summary of progress against objectives for FY 91/92

- Organization and staffing. Fill long-vacant 1940 Stores and Equipment Supervisor position. Request funding and authorization to fill vacated Assistant Director position as soon as possible.

Not done due to decentralization of storeroom management.

- Procedures development. Continue preparation of the operating procedures manual, contingent on availability of staff.

Physical inventory procedures were distributed to all departments now responsible for their storerooms.

- Hazardous materials permits. Continue process to obtain permits for seven storerooms not yet permitted, contingent on DPH schedule.

All work required to satisfy permitting requirements has been completed. The following storerooms are awaiting DPH inspections (which will be done with inspection of the facilities in which the storerooms reside):

- SFGH
- DPW WPC
- Muni/Flynn
- Muni/Metro
- Muni/Presidio
- Muni/Scott (new storeroom)
- Muni/Woods
- Recreation and Parks

The Central Warehouse and Room 59 City Hall are not expected to require permits. We are awaiting DPH instruction.

- Injury prevention program. Implement new Injury and Illness Prevention Program in storerooms.

The Injury and Illness Prevention Program was developed and implemented. A series of training sessions was conducted to educate supervisors and line workers about the program. The use of a storeroom-specific inspection report also was implemented to ensure adequate identification of hazards that are unique to stores operations.

- Decentralization of storeroom management. Conduct survey of departments regarding possible decentralization of storeroom management functions. Submit results to the CAO, Mayor's Office, and Board of Supervisors as appropriate.

We conducted a survey of the departments, and found that departments generally were interested in assuming this responsibility.

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STOREKEEPING SERVICES

Summary of progress against objectives for FY 91/92 (continued)

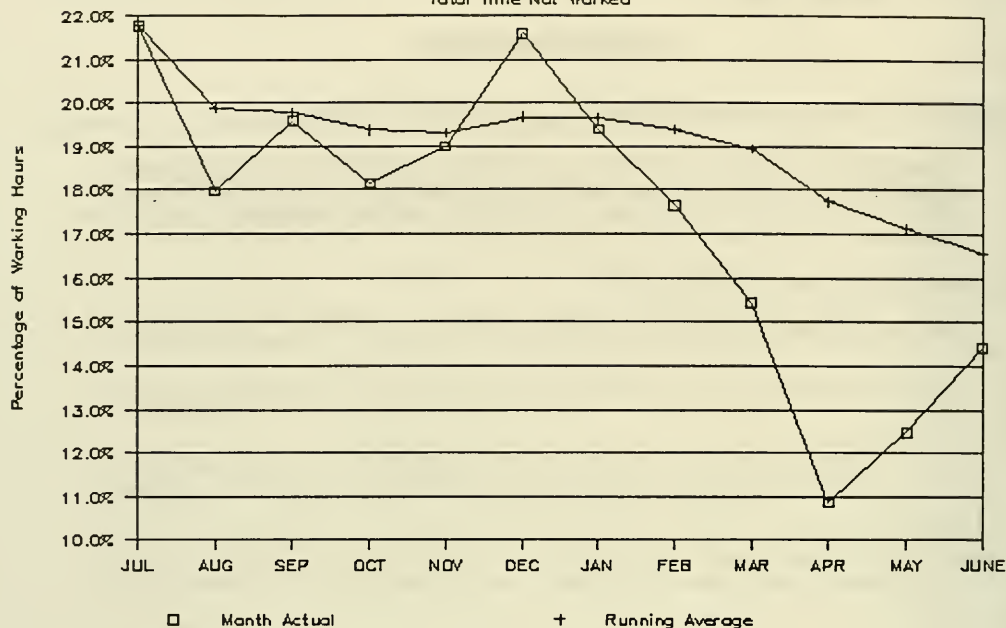
We submitted a ballot argument in support of the Charter amendment to eliminate Purchasing's responsibility for maintaining departmental inventories, as well as a rebuttal to the opposing argument. The Charter amendment was passed on the June ballot.

Proposed objectives for FY 92/93

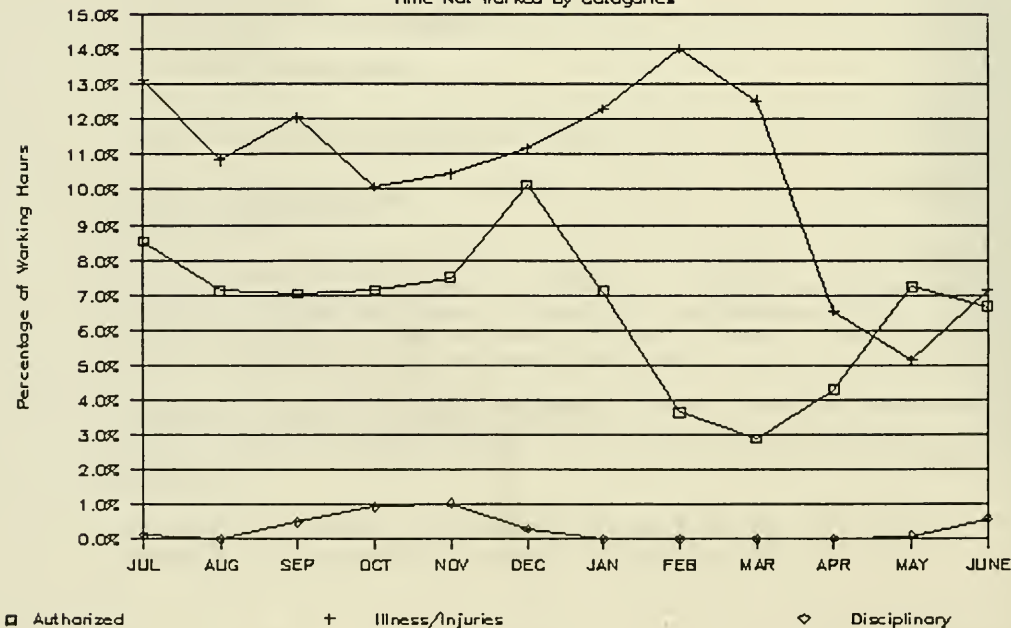
See Procurement Division.

Stores Division FY-91/92

Total Time Not Worked



Time Not Worked By Categories



CENTRAL SHOPS

4th Quarter Highlights and Accomplishments

- Fleet Management System

The consultant for the systems evaluation contract started work on the project. We expect the consultant to recommend 2-3 systems by October.

- Office Facilities

The first phase of the office expansion was completed. The second phase is expected to be completed by October.

- Facilities Maintenance and Capital Improvements

The driveway and sewer project remained on hold, due to insufficient funding. The CAO's Office is looking for additional funding.

- Injury and Illness Prevention Program

The baseline inspection report was received from the Department of Public Health. We have already begun addressing the reports recommended corrective actions, but it will take at least a year to respond to the report in entirety.

- Alternative Fuels for City Vehicles

Central Shops management arranged for the loan of a CNG pickup truck from PG&E. DPW water pollution control staff were favorably impressed with the truck's performance, and they are purchasing one this year.

Purchasing FY 92/93 budget includes authorization to lease-purchase approximately 30 replacement vehicles. Of these, at least two will be designated to be CNG vehicles.

- Security Lighting

During June, most of the security lights at Central Shops were replaced with longer-lasting, brighter lights. This was a \$24,000 project; however, Hetch Hetchy provided \$18,000 toward the project, because the project will reduce energy demands.

- Inspection of New Sweepers

The Manager of Fleet Services and a DPW representative went to Waco, Texas, for two days to inspect and approve changes being made by Tymco Sweeper Corporation to the five new sweepers the City is purchasing.

CENTRAL SHOPS

Performance Indicators

At the present time, no revisions are planned in the vehicle availability reporting system currently operated on a personal computer; however, it is expected that the new fleet management system will provide the capability to expand our reporting capabilities. We are particularly interested in being able to report:

- downtime by total time and/or average time by vehicle, vehicle group, specific shop and/or location;
- maintenance/repair/rebuild histories;
- utilization histories and life-cycle costs.

The level and ease of both standard and ad hoc reporting functions will be an important factor in our evaluation of fleet maintenance systems.

- Vehicle availability

Note: Data for June will not be available until the third week of July.

All monthly targets and goals were met in April and May. There were eight days during these two months when the target availability on DPW construction equipment was not met, due to loss of two mechanics from that shop. We coordinated with DPW to ensure that the equipment that could not be repaired was not of a high priority. Our requisitions for replacement personnel were approved by the Mayor's Office in June, but we may not be able to fill them due to the new hiring freeze.

CENTRAL SHOPS

Summary of progress against objectives for FY 91/92

- Automation. Complete the selection and begin implementation of an automated fleet management system.

An automated system was not acquired this year. A consultant was hired to assist us in selecting a system, and we expect to have 2-3 prospective systems identified by October. We then will proceed towards acquiring and implementing a system.

- Facilities maintenance and capital improvements. Complete driveway and sewer project.

This project was not performed, because the scope of the required work increased substantially beyond the available funding for the project. The CAO's Office is looking for additional funding.

- Office facilities. Obtain and install new phone system, and enlarge office space.

Done.

- Injury prevention program. Implement new Injury and Illness Prevention Program at Central Shops.

The Injury and Illness Prevention Program was developed and implemented. A series of training sessions was conducted to educate supervisors and line workers about the program.

DPH completed its baseline inspection of Central Shops, and we recieved the report in the 4th quarter. The primary area that will require major effort to achieve total compliance is in the area of supervisor and employee training. Our efforts in this area were constrained by the vacancy of our Management Assistant position for more than half the year, due to the Mayor's hiring freeze. Nevertheless, some progress was accomplished. All Shops foreman attended a supervisors' safety training offered by Public Works' health and safety staff. All crafts workers attended health and safety orientations also provided by Public Works.

Another area that will require major effort is the development and implementation of inspection programs for all equipment and facilities within the shops.

We have already begun addressing the reports recommended corrective actions, but it will take at least a year to respond to the report in entirety.

CENTRAL SHOPS

Proposed objectives for FY 92/93

- Automation. Acquire and begin implementation of an automated fleet management system.
- Facilities maintenance and capital improvements. Complete driveway and sewer project, contingent on availability of increased funding.
- Office facilities. Remodel existing office space in Central Shops.
- Injury prevention program. Finish corrective actions needed in response to DPH baseline inspection. Develop system for conducting and documenting shop-specific employee safety training.
- Alternative Fuels for City Vehicles Acquire and test in operation one CNG car and one CNG pickup truck. Identify and evaluate possible sites for locating a CNG fueling station.

(One possible site is the area under the jurisdiction of Purchasing but currently being used by the Sheriff, on Bryant Street adjacent to the Hall of Justice Service Station. This location would be excellent not only for a CNG facility, but also for a motorcycle maintenance facility.)

- Vehicle leasing/chargeback system. Evaluate the possibility of implementing a vehicle leasing/chargeback system.
- Rerefined Oil. Convert the fleet to use rerefined oil.
- Vehicle registrations. Assume responsibility for vehicle registration function from the Central Warehouse, and implement an automated connection with DMV.
- Storeroom responsibility. Assume responsibility for management of Central Shops' storeroom.

FLEET	FLEET SIZE	# AVAILABLE DEMAND ACTUAL	% AVAILABLE DEMAND ACTUAL	DOWN DAYS AVG TARGET	TARGET DAYS ABOVE BELOW
Ambulances	21	16 18	76% 86%	4	19 0
Fire-Aerials	25	20 23	80% 92%	3	31 0
Fire-Pumpers	56	41 52	73% 93%	3	31 0
Police-Autos	560	520 537	93% 96%	5	
Police-Motorcycles	90	85 89	94% 99%	1	
Traffic-Motorcycles	279	251 269	90% 96%	8	19 0
DPW Sweepers	41	30 33	73% 80%	9	19 0
DPW Constr Equip	75	64 64	85% 85%	8	12 7
DPW Paint Striper	2	1 2	50% 100%	0	19 0
DPW Sewer Cleaners	13	9 10	69% 77%	7	18 1
DPW Packer/Loader	20	14 16	70% 80%	8	19 0
DPW Aerial	6	4 5	67% 83%	9	19 0
Truck Shop Fleet	650	585 600	90% 92%	11	19 0
Car Shop Fleet	1000	950 979	95% 98%	2	19 0

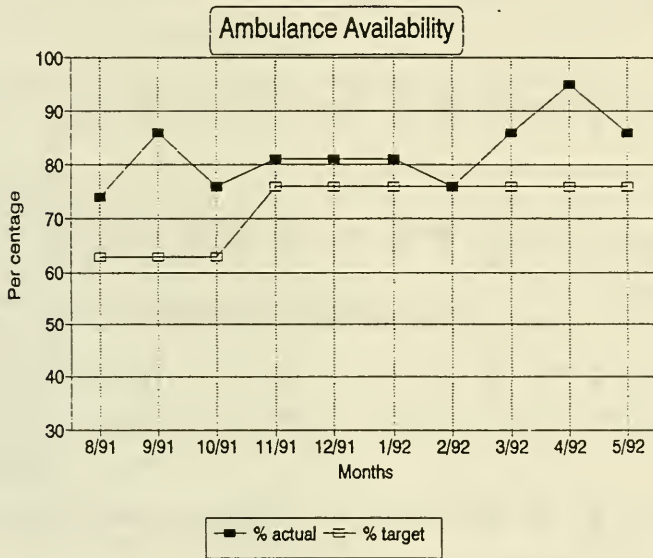
[Signature] D. Cowley *[Signature]* C. Vejdovsky

VEHICLE AVAILABILITY REPORT

Central Shops

May-92

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS		TARGET DAYS	
		TARGET		ACTUAL		AVG	TARGET	ABOVE	BELOW
		#	%	#	%				
ambulance	21	16	76%	18	86%	4		19	0

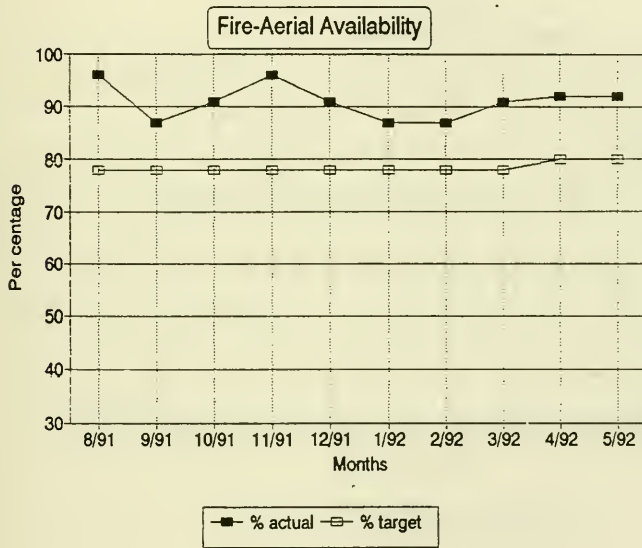


VEHICLE AVAILABILITY REPORT

Central Shops

May-92

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS		TARGET DAYS	
		TARGET		ACTUAL		AVG	TARGET	ABOVE	BELOW
		#	%	#	%				
aerial	25	20	80%	23	92%	3		31	0

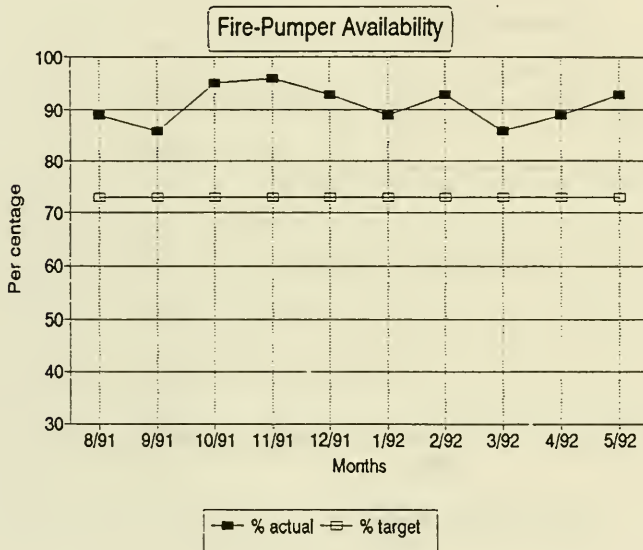


VEHICLE AVAILABILITY REPORT

Central Shops

May-92

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGET	ABOVE BELOW
pumpers	56	41	73%	52	93%	3	31 0

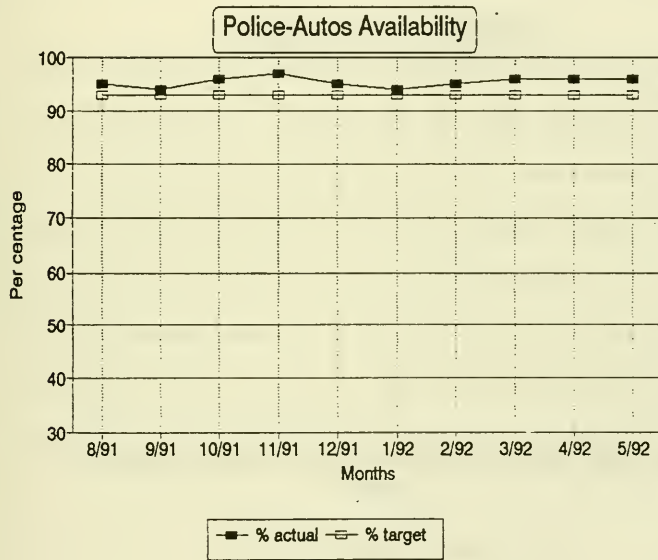


VEHICLE AVAILABILITY REPORT

Central Shops

May-92

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGET	ABOVE BELOW
police autos	560	520	93%	537	96%	5	

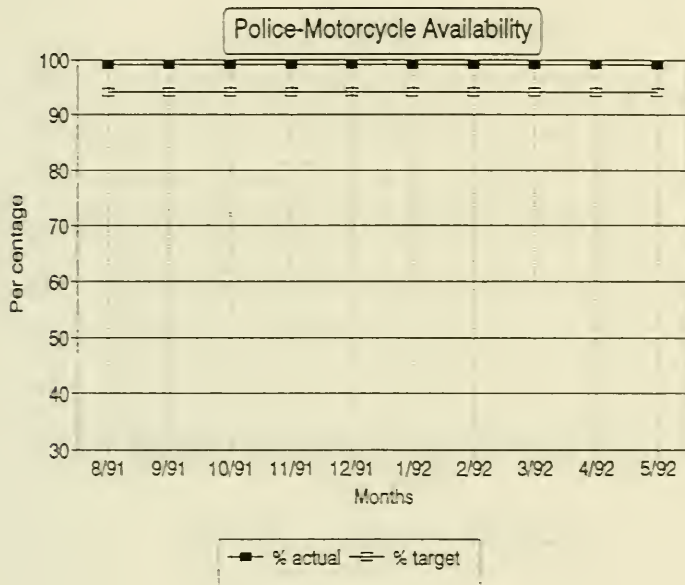


VEHICLE AVAILABILITY REPORT

Central Shops

May-92

FLEET	FLEET		AVAILABLE		DOWN DAYS		TARGET DAYS	
	SIZ	TARGET	#	%	AVG	TARGET	ABOVE	BELOW
		#						
police motorcycles	90	85	94%	89	99%	1		

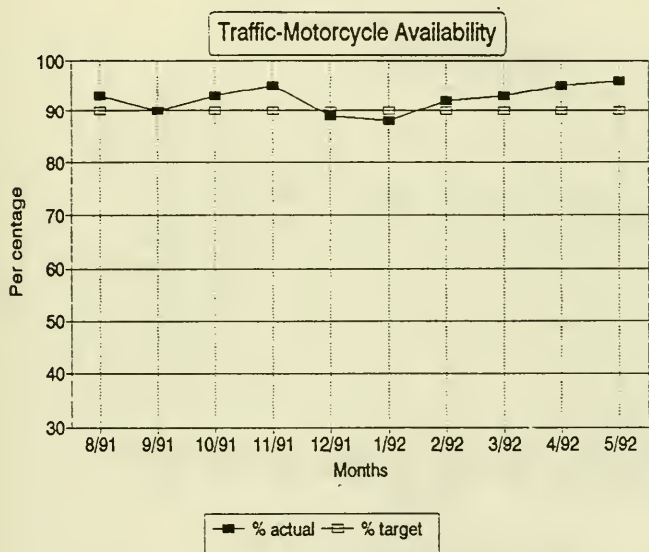


VEHICLE AVAILABILITY REPORT

Central Shops

May-92

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGET	ABOVE BELOW
traffic	279	251	90%	269	96%	8	19 0

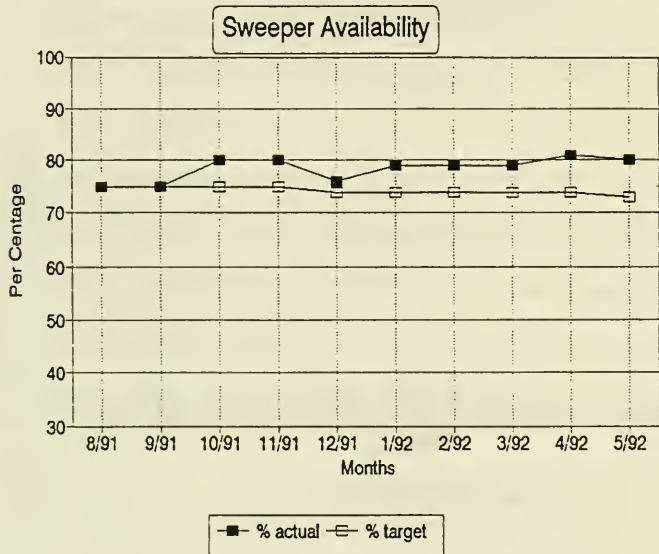


VEHICLE AVAILABILITY REPORT

Central Shops

May-92

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS		TARGET DAYS	
		TARGET		ACTUAL		AVG	TARGET	ABOVE	BELOW
		#	%	#	%				
sweepers	41	30	73%	33	80%	9		19	0

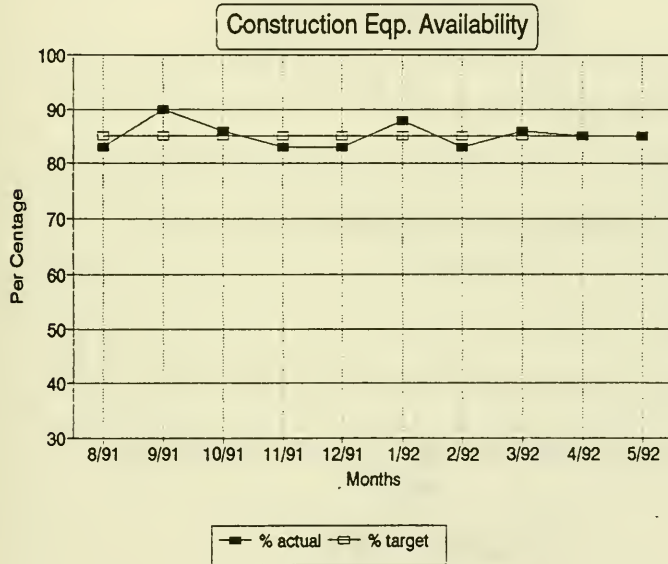


VEHICLE AVAILABILITY REPORT

Central Shops

May-92

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS		TARGET DAYS	
		TARGET	ACTUAL		%	AVG	TARGET	ABOVE	BELOW
		#	#	#					
constr equip	75	64	85%	64	85%	8		12	7

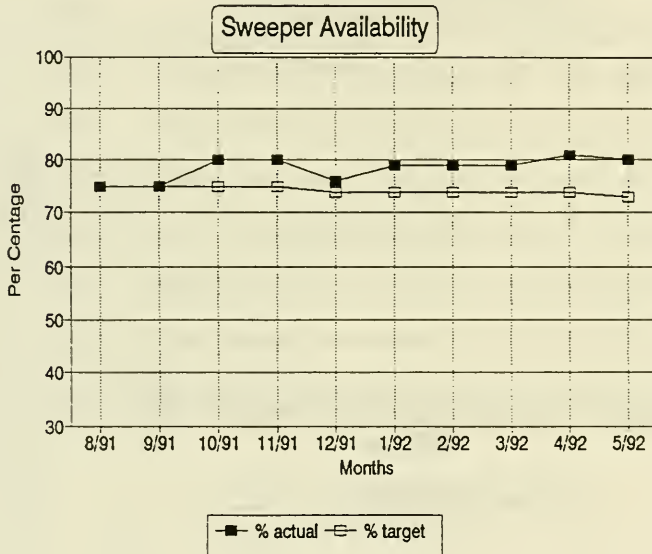


VEHICLE AVAILABILITY REPORT

Central Shops

May-92

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGET	ABOVE BELOW
sweepers	41	30	73%	33	80%	9	19 0

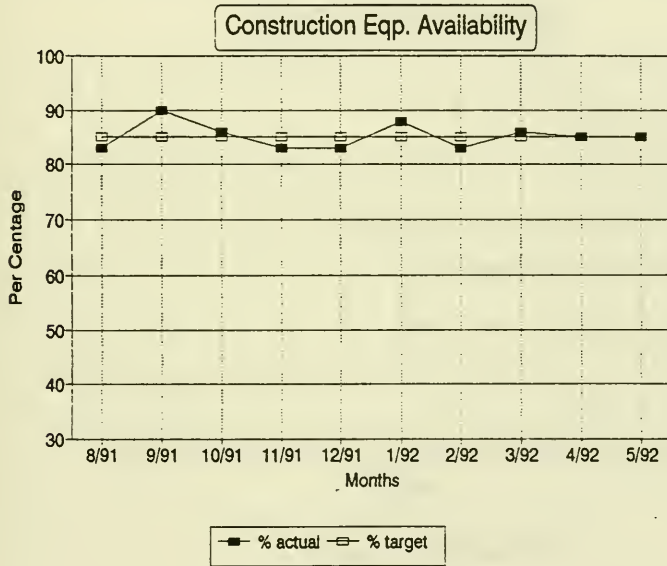


VEHICLE AVAILABILITY REPORT

Central Shops

May-92

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS		TARGET DAYS	
		TARGET	ACTUAL		%	AVG	TARGET	ABOVE	BELOW
		#	#	#					
constr equip	75	64	85%	64	85%	8		12	7

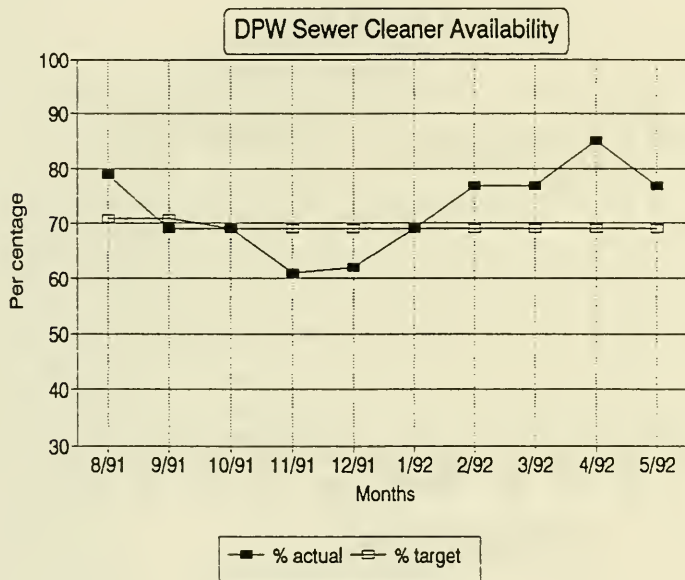


VEHICLE AVAILABILITY REPORT

Central Shops

May-92

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGET	ABOVE BELOW
sewer cleaners	13	9	69%	10	77%	7	18

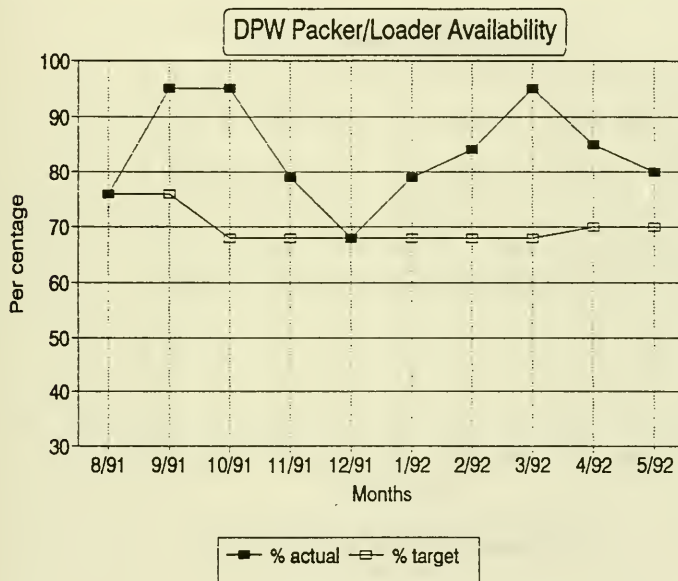


VEHICLE AVAILABILITY REPORT

Central Shops

May-92

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET	ACTUAL	AVG	TARGET	ABOVE	BELOW
		#	%	#	%		
packer/loader	20	14	70%	16	80%	8	19
							0

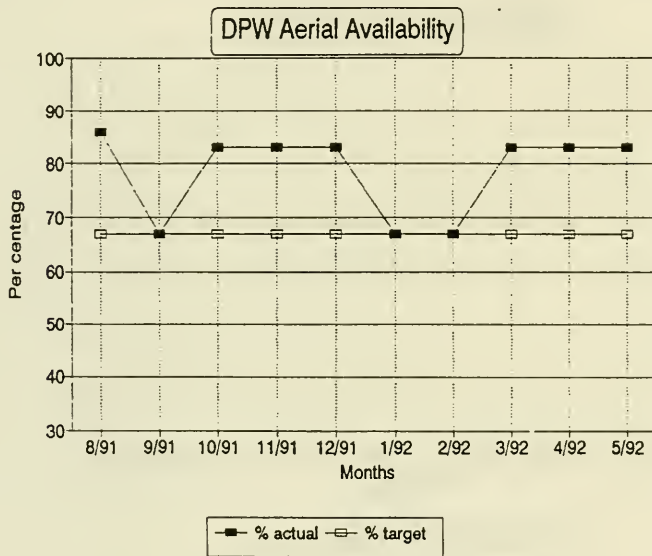


VEHICLE AVAILABILITY REPORT

Central Shops

May-92

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGET	ABOVE BELOW
dpw/aerial	6	4	67%	5	83%	9	19 0

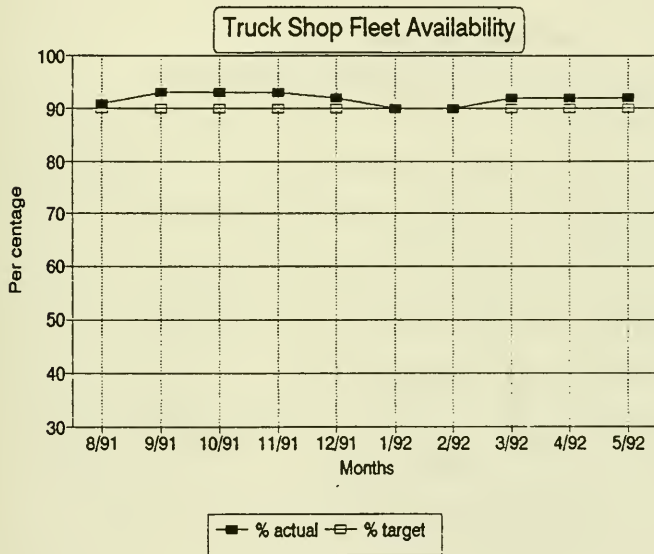


VEHICLE AVAILABILITY REPORT

Central Shops

May-92

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS		TARGET DAYS	
		TARGET	ACTUAL		%	AVG	TARGET	ABOVE	BELOW
		#	#	#					
truck shop	650	585	90%	600	92%	11		19	0

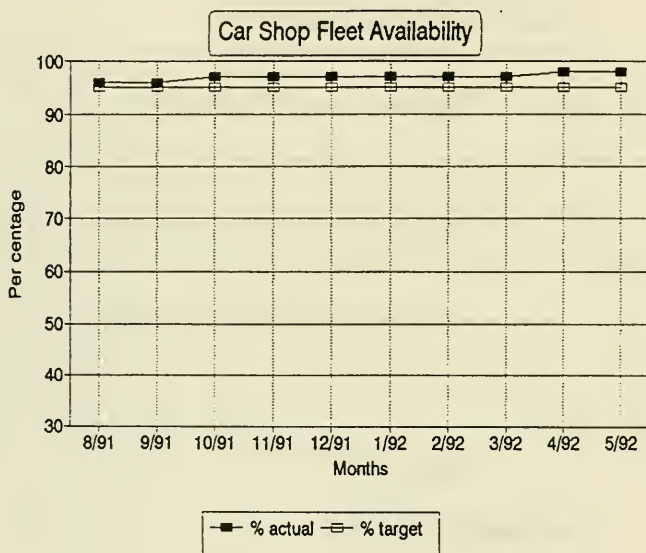


VEHICLE AVAILABILITY REPORT

Central Shops

May-92

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGET	ABOVE BELOW
car shop	1000	950	95%	979	98%	2	19 0



REPRODUCTION AND MAIL SERVICES

4th Quarter Highlights and Accomplishments

- Reproduction

Despite staff shortages, Reproduction's volume during each month of the 4th quarter was among the highest ever, and was 20% higher than the 4th quarter of FY 90/91.

- Mail

Mail Services moved the interdepartmental mail drop-off facility into the old telephone operators section in the basement of City Hall. This has helped to ease the space problem in the Mailroom.

We extended courier service to the DPW Engineering office at 1680 Mission.

Performance Indicators

See attached charts. Demand for both Reproduction Services and Mail Services continued the upward trend during FY 91/92.

REPRODUCTION AND MAIL SERVICES

Summary of progress against objectives for FY 91/92

- Mail Guidelines. Complete the development and dissemination of the mail guide.

The guide was finished in the 3rd quarter, but printing was deferred due to staff vacancies. Printing was finished in the 4th quarter, and the guide will be distributed along with the user satisfaction survey (see below).

- Procedures documentation. Develop user and systems documentation for new accounting system used in Reproduction and Mail.

Little progress was made in this area due to competing demands and vacancy of the Assistant Manager position for the most of the last half of the year.

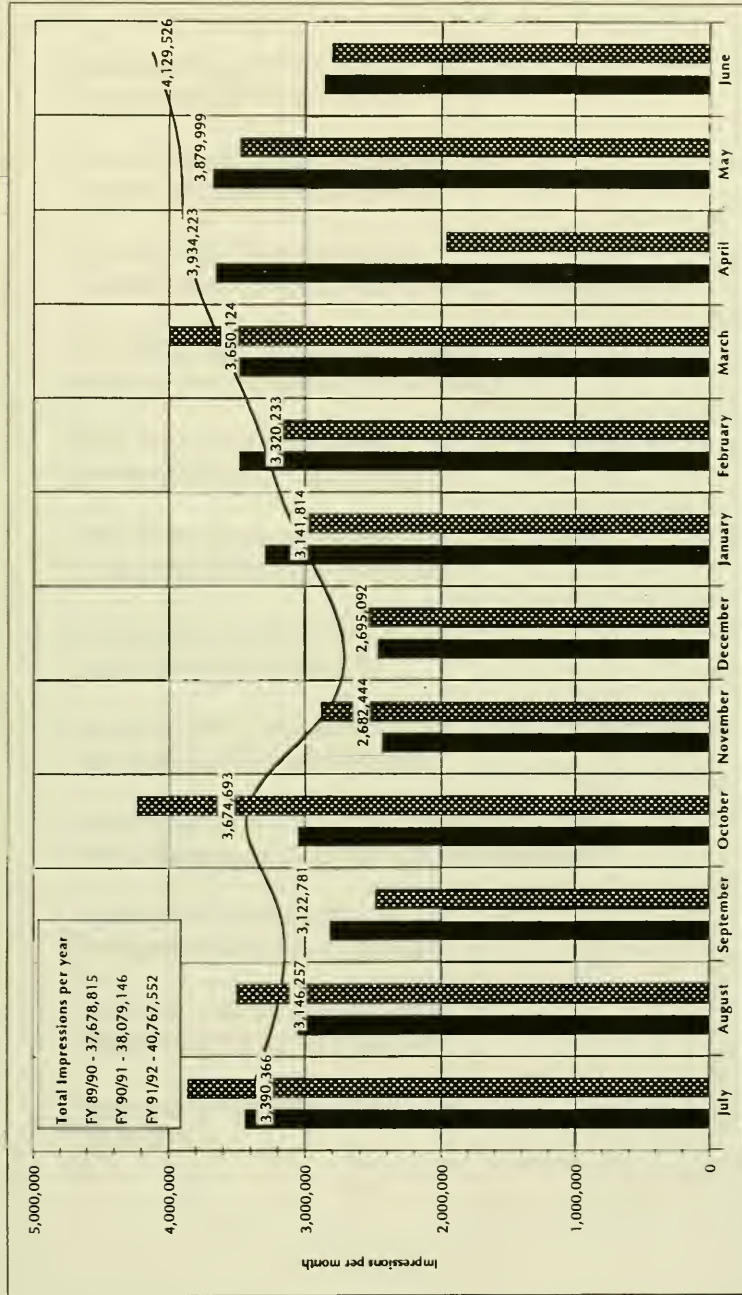
- User satisfaction survey. Conduct user satisfaction survey for both Reproduction and Mail Services.

The survey was prepared for distribution in the 3rd quarter, but it was decided to defer the survey to July due to the budget process and staffing shortage. The survey will be sent out in mid-July.

Proposed objectives for FY 92/93

- Procedures documentation. Finish user and systems documentation for accounting system used in Reproduction and Mail.
- Bar-code printer/sorter machine. Acquire and implement bar-code printing and sorting machine (five-year lease-purchase, \$50,000 per year cost to be recovered in saved postage costs).
- Electronic printing equipment. Evaluate practicality and cost of shifting printing work from mechanical offset printers to electronic printing equipment.

Reproduction Bureau Impression Count FY 91/92

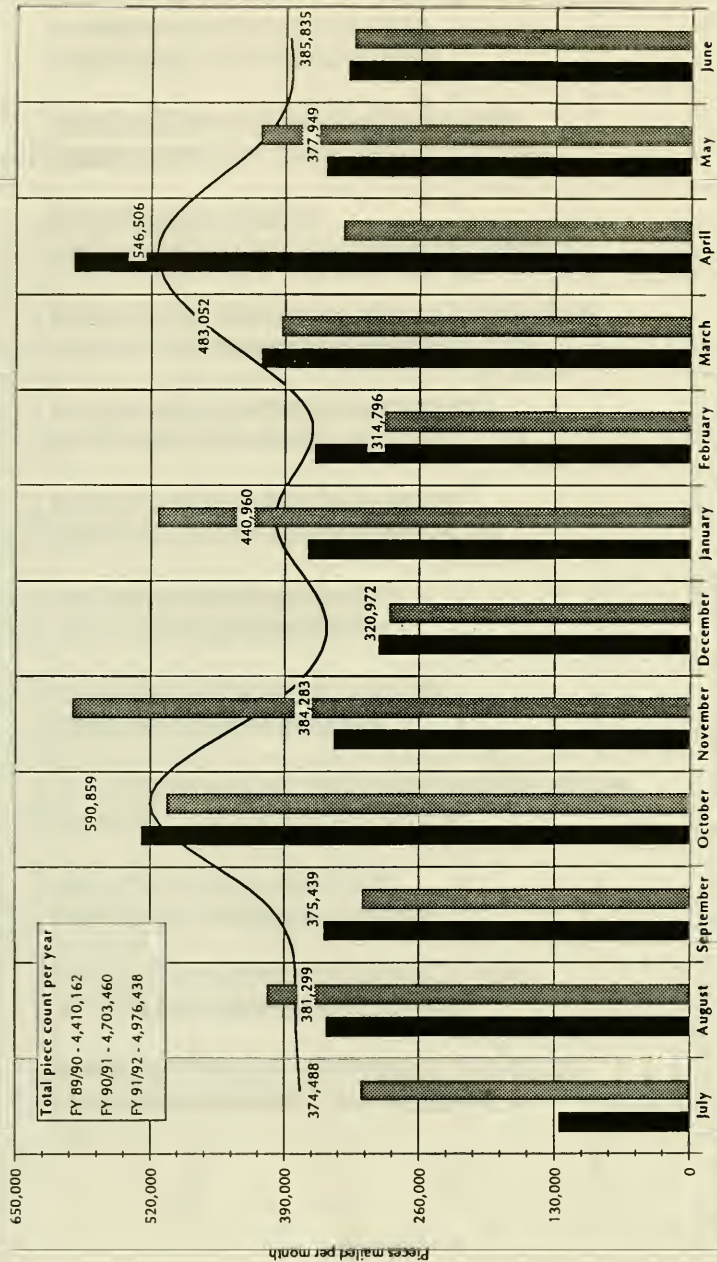


■ FY 89/90

▨ FY 90/91

— FY 91/92

Mail Services Piece Count FY 91/92



■ FY 89/90

■ FY 90/91

— FY 91/92

92-93

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PURCHASING DEPARTMENT QUARTERLY REPORT

FY 92-93 4TH QUARTER

INCLUDING: FY 92-93 YEAR-END REPORT

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DEPOSITORY ITEM
DOCUMENTS DEPT.

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INTRODUCTION

This report presents, in narrative and graphical form, a perspective of the Purchasing Department's performance during the preceding quarter. It is divided into three sections:

- Procurement Services
- Central Shops
- Reproduction and Mail Services

Each section of the report presents:

- a description of the division's major highlights and accomplishments of the preceding quarter;
- comments regarding the division's performance indicators for the quarter;
- graphs and tables of the performance indicators.

Other than Purchasing Department employees, a broad audience for the quarterly reports is the departments that use the Purchasing Department's services. The reports also are reviewed by oversight bodies such as the CAO's Office and the Mayor's Office.

Fiscal-year Objectives

At the beginning of each fiscal year, the department establishes specific objectives for the year. The objectives are of several types:

- **mission-related**: objectives directly related to the department's overall service mission and goals;
- **special projects**: objectives to address special programs and projects already identified at the beginning of the year;
- **internal operational objectives** in areas such as:
 - organization and staffing;
 - MIS development;
 - procedures development and staff training;
 - safety.

For reference, the current-year objectives are included at the end of each section of the quarterly report.

At the end of the year, the department prepares a year-end report along with the 4th quarter report, which presents:

- a summary of progress against objectives for the fiscal year;
- objectives for the following fiscal year.

INTRODUCTION

The quarterly reports do not necessarily report progress for every objective. Some objectives may be achieved and progress be reported in the 1st quarter report. Progress against other objectives may not occur or be reported until the 4th quarter.

The department's achievement of its objectives is contingent to an extent on external factors including:

- unanticipated requirements, special projects, and added responsibilities that are imposed during the course of the year;
- prolonged staffing shortages and fiscal constraints.

Such unanticipated workloads and resource problems also are described in each quarterly report.

Performance Indicators

The performance indicators are quantitative measures of the department's workloads and performance in meeting those workloads. They are very useful for all employees in understanding where the department has opportunities to improve performance. Presented in the form of graphs and tables, they also illustrate the levels of improvement that the department achieves over time.

PROCUREMENT SERVICES

4th Quarter Activities and Accomplishments

- Budget Reductions

The City's entire administrative infrastructure was severely cut in the budget process for FY 93-94, across departments including the Controller, Civil Service, City Attorney, and Purchasing. Our own procurement and administrative support functions incurred a loss of twelve positions:

- 1 1160 Assistant Director
- 2 1952 Purchaser
- 1 1956 Senior Purchaser
- 1 2978 Contract Compliance Officer
- 2 1404 Clerk
- 1 1426 Senior Clerk Typist
- 1 1632 Senior Account Clerk
- 1 1652 Sr. Accountant
- 1 1720 Data Entry Operator
- 1 1934 Storekeeper

The loss of these twelve positions is a 25% reduction from FY 92-93 levels. Over the past four years, 25 professional and clerical positions have been cut, including the twelve positions listed above.

Two positions also were cut from the automated procurement system project (see description below).

A \$100,000 salary savings requirement also was imposed, which the department will seek to address primarily through attrition and voluntary unpaid furloughs.

- Charter amendment for November ballot

A Charter amendment has been submitted for the November ballot, authorizing Purchasing to delegate purchases under \$5,000 to departments. If passed, it is estimated that this will reduce the workload in Purchasing by 15%; however, this reduction in Purchasing's workload would not happen for several months after passage. Short-term, the workload will be increased above the current level, because of the need to:

- develop procedures for the delegation;
- conduct training during the transition period, and assist departments on the "how to" of purchasing under \$5,000.

- Service modifications, organizational restructuring

In addition to the proposed Charter amendment, several service modifications have already been implemented or are being considered. Briefly, these include:

- closing the City Hall storeroom and absorbing the office supplies Direct Order Center function within the main office;

PROCUREMENT SERVICES

4th Quarter Activities and Accomplishments (continued)

- redistributing MBE/WBE monitoring and support functions across purchasers and support staff;
- partially or completely eliminating Purchasing's role in processing voucher payments (in coordination with Controller's Office);
- revising hours for reception of vendors and City department representatives at the main office from 1:00 - 5:00 p.m.;
- eliminating the sale of documents on behalf of other departments;
- contracting out (as much as possible) the sale and disposal of surplus materials and equipment, as is already done for surplus vehicles.

Because the main office procurement staff has been so drastically reduced, the Director, Supervising Purchasers, and Contract Specialist are planning to reorganize staffing across the main office and satellite units. The primary goal is to focus staffing resources on consolidation and development of term contracts, while maintaining minimum staffing for handling ongoing workloads; it is not yet known if this can be achieved, even with the service changes described above. In addition, we are assuming that the November Charter amendment passes. If it does not, then organizational and staffing level issues will have to be reevaluated.

• Procurement System Project (POPS)

- Staffing reductions: Staffing for the procurement system project was reduced by two positions:
 - 1 1862 Systems Analyst
 - 1 1948 Coding Supervisor

The loss of these and other positions will introduce substantial delays, and will raise long-term costs of development and implementation of the system. Schedules will be lengthened for the following project components:

- implementation of the core automated procurement system in the central office and user department locations;
- implementation of End User Entry functions, which will allow users in other City departments directly to enter, query, and approve requisitions, and monitor status;
- establishment of encumbrance and other interfaces to Controller's Office systems;
- creation of automated reports to identify Citywide purchasing volumes and support development of Citywide annual contracts.

The primary focus of our pilot implementation will continue to be the Airport. The PUC, DPW, and Central Shops all are being considered for the next satellite implementation; however, it can not be predicted when the next implementation can start, because of staffing shortages.

PROCUREMENT SERVICES

4th Quarter Activities and Accomplishments (continued)

- Commodity coding: The initial restructuring of the commodity codes was completed. This reduces the number of codes, making them easier for vendors, buyers, and departments to use.
- Pilot project and End User Entry Module: The programming and testing of this was completed, and testing with the on-site Purchasers at the Airport will start in July.
- Term contract module: Major changes were made to this module so that a production test can begin with MUNI term contracts in August.
- Local area network: Work on implementation of the LAN has continued at a slow pace due to staff shortages in both the purchasing and data processing units.
- Encumbrance interface: The preencumbrance interface from POPS to FAMIS was developed, and testing will begin in July.

• Oracle

Detailed review of the Oracle purchasing module will continue through FY 93-94, consistent both with the Controller's project schedule and with our own reduced staffing capacity.

• Procedures development/training program/legislation/communications

- Administrative Code changes regarding equipment inventory: Purchasing, the Controller, and the CAO have agreed on the proposed changes, and the City Attorney's Office is drafting the legislation.
- VDT guidelines: The Citywide guidelines related to VDT equipment were published by Purchasing and DPH, and sent to all departments.
- Update to Procurement Manual: We completed the draft document of exceptions to our normal procedures that result from state or federal law, the impetus for which was the FTA audit of the PUC. The draft has been submitted to a number of City departments for review.
- Personal services contracts: Purchasing and the CAO agreed not to pursue a Charter amendment to decentralize responsibility for personal service contracts at this time.
- Federal Transit Administration audit: The PUC audit report still has not been received.
- Draft MBE/WBE regulations: Although we submitted comments to HRC almost a year ago, the final regulations still have not yet been issued by HRC.

• User department training

This remained on hold due to lack of staff and increased workloads.

PROCUREMENT SERVICES

4th Quarter Activities and Accomplishments (continued)

- Personal Computers

The PC Computer Proposal was issued in June, and contract awards are anticipated in September, barring unforeseen problems.

- Office Products

The office products bids are under evaluation, and awards are anticipated in August.

- Term Contracts

Twelve term contracts were awarded/extended during the quarter. Among the most significant of the contracts were:

- medical and surgical supplies (SFGH)
- bearings and oil seals (various departments)
- sale of scrap metal (various departments)
- pest control services (various departments)

In addition, forty term contracts were in the process of being reviewed, bid, or evaluated for award, including:

- uniforms (Police)
- official advertising
- office supplies
- cleaning services (Candlestick Park)

New term contract areas identified during the quarter included:

- transit cleaning and chemical products
- computer supplies
- telecommunications supplies
- traffic sign hardware

- Central Warehouse

- Response to budget reductions: Two positions have been or soon will be reassigned from the warehouse to other sections of the department, in response to budget reductions:

- 1446 Secretary II, reassigned to main office;
- 1922 Senior Inventory Clerk, to be reassigned to Central Shops to handle vehicle registration functions.

Our resources to handle surplus property and other warehouse functions now consists of two positions—one Sr. Storekeeper and one Storekeeper. We will be exploring the possibility of contracting out more surplus property functions.

PROCUREMENT SERVICES

4th Quarter Activities and Accomplishments (continued)

- Surplus property database: We began distributing the surplus property listing to departments regarding items available for reissue.
- Support to Registrar of Voters: We facilitated the special June election activities for the Registrar of Voters during May and June.
- Purchasing issues at San Francisco General Hospital

SFGH management is continuing to investigate the prime vendor concept within the hospital, Laguna Honda, and the health clinics.
- Waste reduction
 - rerefined oil: Central Shops continues to test the use of rerefined oil (see Central Shops section of this report).
 - industrial paper: We are in the process of changing the industrial paper term contract to include additional recycled products and to delete restrictive specifications. This will both produce cost savings and meet recycled purchasing objectives.

Performance Indicators

• Purchase orders processed and average processing time

Approximately 2,100 purchase orders were awarded during the quarter, with an average processing time of approximately 17 days (figures from central office tracking system, do not include PUC and SFGH). This volume was slightly lower than has been the case in previous 4th quarters.

For FY 92-93 overall, the volume of purchase orders through the main office was approximately 8% lower than in FY 91-92. Factors causing the reduction have not yet been identified, but probably include:

- continued shifting of purchase volume from requisitions to term purchase agreements tied to term contracts;
- cuts in equipment budgets.

A corresponding reduction in workload was not experienced, despite the reduction in volume, due to the fact that the volume of orders awarded through labor-intensive bid proposal and quotation processes was maintained at a high level. In addition, confusion and delays in the lease-financing program contributed to some increase in workload during the quarter.

• Purchase order payment processing time

Payment processing time declined slightly due to staffing shortages; 80% of payments were processed within 10 days of receipt of the MRR, and two-thirds within 5 days of receipt of the MRR.

PROCUREMENT SERVICES

4th Quarter Activities and Accomplishments (continued)

- MBE/WBE participation

Accompanying this report is a copy of the report submitted to the Mayor on Purchasing's MBE/WBE performance. The report describes:

- contract dollars awarded
- vendor outreach efforts

MBE/WBE procurement levels during the quarter were consistent with historical levels, and were as follows:

MBE Procurement

	<u>PO's</u>	<u>TPA's</u>	<u>Total</u>
Central Office/PUC combined	46.0%	14.6%	32.6%
SFGH			14.2

WBE Procurement

Central Office/PUC combined	2.2	2.3	2.2
SFGH			0.6

These figures are for awards made to San Francisco-based firms only.

SFGH data is still being reported separately from the rest of the department, as the accuracy of the data remains a concern.

The accompanying graph is based on Central Office/PUC purchase orders.

PROCUREMENT SERVICES

Summary of progress against objectives for FY 92-93

- Organization and staffing:

- Refill vacated Supervising Purchaser, Senior Purchaser, and Purchaser positions. Assign responsibility for central office buying teams to one Supervising Purchaser, responsibility for the satellite units to the other.

Completed. The Supervising Purchaser position was filled in the 3rd quarter; we are in the process of planning the redistribution of responsibilities for the central office and satellite units.

Three Senior Purchaser positions were filled; however, because the Civil Service Commission directed that the eligible list be disqualified, these appointments were temporary. Later in the fiscal year, the list was reinstated and permanent appointments subsequently were made.

Several Purchaser positions became vacant during the fiscal year, and have not been filled because of impending budget reductions.

- Continue buyer rotation.

A number of rotations were implemented during the fiscal year, covering the main office, Recreation and Parks, PUC, and SFGH. More reassignments will be required in response to FY 93-94 budget reductions.

- Automation. Continue implementation of the automated procurement system, including:

- Complete the development of the core procurement, end user, and other functions (a revised schedule is included on a following page);

We completed the development of the requisitioning, vendor selection, bid analysis, and term contract modules of the core system. The purchase order production module will be completed in the 1st quarter of FY 93-94. Lack of programming and analysis staff has contributed to delays in this area.

- Continue to participate in the Oracle project and assess its impact on POPS. Evaluate the procurement application of the Oracle Financials software to determine whether we should plan to migrate to it.

We continued to participate in the Oracle project. Evaluation of impacts on POPS will continue in FY 93-94 as we learn more about the Controller's plans for Oracle Financials.

- Establish service codes for non-commodity vendors so that the HRC can use these Citywide codes; Completed.
- Complete the installation of the LAN by December, and migrate off of the Wang VS;

Not completed. Significant progress was made on installing the LAN, but work remains. Staff changes mid-year contributed to this delay. This objective is carried forward to FY 93-94.

PROCUREMENT SERVICES

Summary of progress against objectives for FY 92-93

- Rewrite and refine the Document Tracking System for the LAN;

Not completed. The tracking system remains on the Wang VS, as migration to the LAN is not complete. Also, staff have not been available to work on this, because of midyear turnover. Carried forward to FY 93-94.

- Implement a training program for staff on PC and LAN software.

The training program for staff on PC and LAN was software was started, consisting of training at ISD, in-house training, and staff work groups to share information.

- Procedures development/training program/legislation/communications

- Publish Chapters 300 and 800 of the Purchasing Procedures Manual. Review other chapters to determine which should be updated and published next.

Not completed. Both of these chapters were drafted, but pending events militated toward deferring publication. Passage of the November Charter amendment would dramatically change Chapter 300, so we are deferring action until after the election. Chapter 800 is contingent on the amendment of the Administrative Code's inventory processing provisions. We expect this amendment to proceed shortly. Objective is carried forward to FY 93-94.

- Continue development of the Procurement Manual, and publish the sections on competitive bidding procedures.

We published a listing of all City Attorney opinions related to Purchasing. We also drafted a document of exceptions to our normal purchasing procedures that result from state or federal law.

Drafting continued on the competitive bidding section, but the section on complying with state and federal requirements has taken precedence. This objective is carried forward to FY 93-94.

- Continue revision of the City's contractual documents; monitoring progress of legislation; and implementing procedural changes as necessary.

Two new form contracts were developed and distributed throughout City government as directives to be included in the Purchasing Directives section of the Guide to Ordering Goods and Services:

- Standard Lease Attachment
- Standard Maintenance Attachment

The directive on equipment maintenance agreements provided guidance on how such agreements should be formulated for better control and accountability, which will provide cost savings to the City.

PROCUREMENT SERVICES

Summary of progress against objectives for FY 92-93

The Model Personal Services Contract was revised twice and reissued as an update to the Guide. The first update related to Resource Conservation, ADA, and insurance; the second covered the Colorado Ban.

Chapter 100 of the Guide, "Introduction," was revised and reissued.

The vendor booklet, How to Do Business with the City and County of San Francisco, was revised to reflect various changes.

VDT guidelines were published jointly by Purchasing and DPH and were issued to all City departments.

• **Purchasing operations:** Address various operational needs and issues such as:

-- **evaluating signature level authorities and conducting post-audits;**

Evaluation of the increased signature authorities that were implemented last year was conducted during the course of the year. To date no problems have been identified related to the higher levels.

Formal post audits were not conducted during FY 92-93, because of staffing shortages and other obligations. The audits have been rescheduled to the 2nd and 3rd quarters of FY 93-94, contingent on workloads.

-- **developing a workload measurement system for buying staff, to facilitate more efficient distribution of workloads;**

Some progress was made on developing a prototype workload measurement system for individual buyers. We now have nine months of historical data in the system, and will be using the system to identify indicators and trends. The system of necessity contains a large element of subjectivity. Objective carried forward to FY 93-94.

-- **updating and standardizing operating procedures including: bid/quotation processing; invoice processing; front counter operations; intra-office mail distribution;**

A detailed procedure for preparation of bid and purchase order files was drafted and is in the final stage of review. The procedure will be included in the Procurement Manual. Operating procedures for front counter operations were revised. All other clerical support procedures were reviewed by clerical staff, but suggested revisions have not yet been compiled. Objective carried forward to FY 93-94.

-- **improving office support facilities in the areas of: photocopy machines; fax machine; central files.**

Complete. A new photocopy machine and fax machine were acquired. All central files were consolidated and reorganized.

PROCUREMENT SERVICES

Summary of progress against objectives for FY 92-93

- **Consolidating contracts.** Continue to focus on the consolidation of contracts Citywide. Ten primary commodity/service areas already have been identified as candidates for consolidation, a few of which are:
 - general hardware;
 - HVAC maintenance (buildings);
 - towing (City vehicles);
 - car phones.

Several new commodity/service contracts were consolidated and awarded during the year, including:

- turnout uniforms (Fire);
- recycled stationary;
- security guard service;
- janitorial service (Real Estate).

Progress was constrained by lack of management and staff time, which had to be diverted from contract development work to supervisory and regular buying duties.

- **MBE/WBE participation.** Continue outreach efforts and implement the buyer incentive program. Participate in training program for user departments on "How to Prepare a Requisition for Purchasing Order," to provide end-user training on MBE/WBE considerations.

The department continued to recruit new vendors, attending several major outreach events during the year. A summary of the events we participated in is included in this report.

- **Buyer training.** Review the needs for further internal buyer training sessions. Participate in training programs provided by professional training organizations and the Civil Service Management Development Unit, within limited training budget.

A program of monthly meetings of buying and clerical staff was conducted throughout the year to focus on training, communications, and identification of improved procedures and methods. Late in the year, the meetings were changed to bimonthly and no longer included clerical staff due to reduced staffing.

- **User department training.** Develop and implement training for user department staff on "How to Prepare a Requisition for Purchase Order."

This objective was placed indefinitely on hold because of insufficient staffing, and is dropped as an objective for FY 93-94.

PROCUREMENT SERVICES

Summary of progress against objectives for FY 92-93

- Central Warehouse.

- Continue preparation of the operating procedures manual. Complete sections regarding:

- surplus property disposal;
- property transfers to/from departments;
- sales to contractors and the general public.

This objective was not met due to staffing shortages and other priorities throughout the fiscal year. Carried forward to FY 93-94.

- Develop and implement a database system to track the movement of surplus materials to and from the Central Warehouse.

Completed. We can identify in detail the surplus items available at the Central Warehouse and the eventual disposition of those items.

- Develop and publish a quarterly newsletter regarding the types and amounts of surplus property available for reissue to City departments. Completed.

- Monitor contractor performance in surplus vehicle sales.

Completed. At least one unannounced inspection of the contractor's auctions was conducted every quarter. These inspections, along with day-to-day monitoring of response time and payments, indicate that the contractor has been meeting obligations.

- Formally transfer vehicle registration function to Central Shops.

Not completed due to shortage of staffing at Central Warehouse. Target completion is by the end of the 2nd quarter of FY 93-94.

- Continue development of the earthquake preparedness program, and attend emergency management training in San Luis Obispo.

This objective has been met. During the year, we have:

- worked with the Mayor's Office of Emergency Services regarding the City's Emergency Operations Plan;
- participated in interdepartmental and Citywide emergency response exercises;
- attended training sessions conducted by the California Specialized Training Institute in San Luis Obispo on Earthquake Response management.

- If required, obtain hazardous materials permits for the Central Warehouse and Room 59 City Hall. Permits are not required.

PROCUREMENT SERVICES

Proposed objectives for FY 93-94

- Organization and staffing:
 - Reorganize purchasing and management staff as necessitated by staffing reductions.
 - Continue buyer rotation.
- Automation. Continue implementation of the automated procurement system, including:
 - Begin core POPS implementation at City Hall.
 - Complete the End User Module implementation at the Airport and one other satellite (possibly DPW, PUC, or Central Shops).
 - Implement Term Contract Modules at City Hall.
 - Complete LAN implementation at City Hall.
 - Continue to plan for addressing impacts of Oracle Financials on the procurement system.
- Procedures development/training program/legislation/communications
 - Develop and implement regulations and departmental instructions associated with delegation of purchases under \$5,000 (contingent on passage of November Charter amendment proposition).
 - Publish Chapters 300 and 800 of the Purchasing Procedures Manual.
 - Continue development of the Procurement Manual, and publish the sections on competitive bidding procedures, state and federal requirements, and emergency purchases.
 - Continue revision of the City's contractual documents; monitoring progress of legislation; and implementing procedural changes as necessary.
- Purchasing operations:
 - Continue to evaluate signature level authorities and conduct post-audits.
 - Complete development of a workload measurement system for buying staff.
 - Continue to update and standardize operating procedures including: bid/quotation processing; invoice processing; front counter operations; intra-office mail distribution.
 - Implement various service modifications to reduce administrative workloads.

PROCUREMENT SERVICES

Proposed objectives for FY 93-94

- Consolidating contracts. Continue to focus on the consolidation of contracts Citywide, including:
 - finalizing the term contract development plan;
 - reorganizing buying staff to create a contract formation team;
 - consolidating, developing, and awarding 25 new term contracts (contingent on adequate staffing of contract formation team).
- MBE/WBE participation. Continue efforts to monitor and encourage MBE/WBE participation in City procurements under Purchasing's control.
- Central Warehouse.
 - Complete documentation of operating procedures for: surplus property disposal; property transfers to/from departments; sales to contractors and the general public.
 - Formally transfer responsibility for ordering, receiving, stocking, and issuing janitorial and housekeeping supplies located at the Central Warehouse to the Fire Department.
 - Participate in the Mayor's Office of Emergency Services' task force to revise the Citywide emergency response plan.
 - Continue to monitor contractor performance in surplus vehicle sales.
 - Formally transfer vehicle registration function to Central Shops.

MBE/WBE Outreach Events
1992-93

July 1992	Asian Business Association Annual Business Conference San Francisco	100 vendors
August 1992	Northern California Purchasing Council Minority Business Opportunity Day Oakland	200 vendors
September 1992	MED Week '92 Awards Reception Mark Hopkins Hotel San Francisco	200 vendors
October 1992	Chamber Fair '92 San Francisco Chamber of Commerce San Francisco	150 vendors
November 1992	Asian Business League Conference "Developing Business Partnerships" San Francisco	150 vendors
December 1992	HRC Workshop Subcontracting Workshop For Construction Contractors	50 vendors
March 1993	HRC Workshop Subcontracting Workshop For A/E Consultants	50 vendors
April 1993	HRC Workshop Bonding, Insurance and Finance	75 vendors
April 1993	Northern California Purchasing Council MBE Symposium	125 vendors
May 1993	UC Berkeley, Trade Fair Berkeley	175 vendors
June 1993	Industry Council for Small Business Development, Procurement Fair Santa Clara	200 vendors



July 21, 1993

To : Mayor Frank Jordan

Through: Rudolf Nothenberg
Chief Administrative OfficerFrom : M. H. Geistlinger
Director of Purchasing

Subject: 4th Quarter 92-93 MBE/WBE Report

Enclosed is the Purchasing Department's MBE/WBE report for the fourth quarter of FY 92-93. Consistent with our previous reports, purchase order and term purchase agreement transactions are compiled and reported as follows:

- Total Purchase Orders and TPA's (excluding SFGH)
- Purchase Order Data only (excluding SFGH)
- TPA data only (excluding SFGH)
- SFGH data

Transactions that Purchasing handles for other departments are reflected mainly in the purchase order data. Transactions where Purchasing is the ultimate consumer are reported in the response to Question 8. We continue to exclude transactions where the vendor selection is within the purview of the requesting department.

The enclosed report contains data for procurements made by all Purchasing locations. Detailed printouts of awards made to MBEs and WBEs are available.

Enclosures

cc: Ed Lee, HRC

 QUARTERLY REPORT TO MAYOR ON MBE & WBE PERFORMANCE
 TOTAL PURCHASE ORDERS AND TERM PURCHASE AGREEMENTS

DATE: July 20, 1993
 DEPARTMENT FILING REPORT: Purchasing Department
 PERSON FILING REPORT: Ara Minasian 554-6215
 FOR PERIOD COVERING: FY 92-93, 4th Quarter

	SF ONLY -----	BAY AREA -----
1. TOTAL CONTRACT DOLLARS AWARDED BY DEPARTMENT	\$16,882,453	\$40,567,326
a. CONTRACT DOLLARS AWARDED TO NON-PROFITS	NA	NA
b. CONTRACT DOLLARS AWARDED BASED ON WAIVERS, EXCLUSIONS, SOLE SOURCE (PROPRIETARY, SPECIAL SERVICES)	\$5,097,272	\$16,246,287
NET TOTAL (1 minus a & b)	11,785,181	24,321,039
2. PRIME CONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE)	\$3,840,668	\$4,103,790
PERCENTAGE OF NET TOTAL	32.6%	16.9%
3. PRIME CONTRACT DOLLARS AWARDED TO ALL WOMNE-OWNED BUSINESSES (WBE)	\$264,988	\$269,944
PERCENTAGE OF NET TOTAL	2.2%	1.1%
4. SUBCONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE-SUBS)	NA	NA
PERCENTAGE OF NET TOTAL	NA	NA
5. SUBCONTRACT DOLLARS AWARDED TO ALL WOMEN-OWNED BUSINESSES (WBE-SUBS)	NA	NA
PERCENTAGE OF NET TOTAL	NA	NA

Notes:

1. This report covers total spending on Purchase Orders and Term Purchase Agreements made by the Purchasing Department as an awarding authority.
2. This report covers all purchasing locations except SFGH.

 QUARTERLY REPORT TO MAYOR ON MBE & WBE PERFORMANCE
 TOTAL PURCHASE ORDERS

DATE: July 20, 1993
 DEPARTMENT FILING REPORT: Purchasing Department
 PERSON FILING REPORT: Ara Minasian 554-6215
 FOR PERIOD COVERING: FY 92-93, 4th Quarter

	SF ONLY -----	BAY AREA -----
1. TOTAL CONTRACT DOLLARS AWARDED BY DEPARTMENT	7,847,231	20,662,812
a. CONTRACT DOLLARS AWARDED TO NON-PROFITS	NA	NA
b. CONTRACT DOLLARS AWARDED BASED ON WAIVERS, EXCLUSIONS, SOLE SOURCE (PROPRIETARY, SPECIAL SERVICES)	1,098,123	5,382,504
NET TOTAL (1 minus a & b)	6,749,108	15,280,308
2. PRIME CONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE)	3,104,153	3,337,774
PERCENTAGE OF NET TOTAL	46.0%	21.8%
3. PRIME CONTRACT DOLLARS AWARDED TO ALL WOMNE-OWNED BUSINESSES (WBE)	147,969	148,425
PERCENTAGE OF NET TOTAL	2.2%	1.0%
4. SUBCONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE-SUBS)	NA	NA
PERCENTAGE OF NET TOTAL	NA	NA
5. SUBCONTRACT DOLLARS AWARDED TO ALL WOMEN-OWNED BUSINESSES (WBE-SUBS)	NA	NA
PERCENTAGE OF NET TOTAL	NA	NA

Notes:

1. This report covers total spending on Purchase Orders only.
2. This report covers all purchasing locations except SFGH.

 QUARTERLY REPORT TO MAYOR ON MBE & WBE PERFORMANCE
 TOTAL TERM PURCHASE AGREEMENTS

DATE: July 20, 1993
 DEPARTMENT FILING REPORT: Purchasing Department
 PERSON FILING REPORT: Ara Minasian 554-6215
 FOR PERIOD COVERING: FY 92-93, 4th Quarter

	SF ONLY -----	BAY AREA -----
1. TOTAL CONTRACT DOLLARS AWARDED BY DEPARTMENT	9,035,222	19,904,514
a. CONTRACT DOLLARS AWARDED TO NON-PROFITS	NA	NA
b. CONTRACT DOLLARS AWARDED BASED ON WAIVERS, EXCLUSIONS, SOLE SOURCE (PROPRIETARY, SPECIAL SERVICES)	3,999,149	10,863,783
NET TOTAL (1 minus a & b)	5,036,073	9,040,731
2. PRIME CONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE)	736,515	766,016
PERCENTAGE OF NET TOTAL	14.6%	8.5%
3. PRIME CONTRACT DOLLARS AWARDED TO ALL WOMNE-OWNED BUSINESSES (WBE)	117,019	121,519
PERCENTAGE OF NET TOTAL	2.3%	1.3%
4. SUBCONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE-SUBS)	NA	NA
PERCENTAGE OF NET TOTAL	NA	NA
5. SUBCONTRACT DOLLARS AWARDED TO ALL WOMEN-OWNED BUSINESSES (WBE-SUBS)	NA	NA
PERCENTAGE OF NET TOTAL	NA	NA

Notes:

1. This report covers total spending on Term Purchase Agreements only.
2. This report covers all purchasing locations except SFGH.

 QUARTERLY REPORT TO MAYOR ON MBE & WBE PERFORMANCE
 SAN FRANCISCO GENERAL HOSPITAL

DATE: July 20, 1993
 DEPARTMENT FILING REPORT: Purchasing Department
 PERSON FILING REPORT: Ara Minasian 554-6215
 FOR PERIOD COVERING: FY 92-93, 4th Quarter

	SF ONLY	BAY AREA
	-----	-----
1. TOTAL CONTRACT DOLLARS AWARDED BY DEPARTMENT	3,088,173	4,894,606
a. CONTRACT DOLLARS AWARDED TO NON-PROFITS	NA	NA
b. CONTRACT DOLLARS AWARDED BASED ON WAIVERS, EXCLUSIONS, SOLE SOURCE (PROPRIETARY, SPECIAL SERVICES)	188,635	1,330,592
NET TOTAL (1 minus a & b)	2,899,538	3,564,014
2. PRIME CONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE)	411,872	420,044
PERCENTAGE OF NET TOTAL	14.2%	11.8%
3. PRIME CONTRACT DOLLARS AWARDED TO ALL WOMNE-OWNED BUSINESSES (WBE)	18,692	18,692
PERCENTAGE OF NET TOTAL	0.6%	0.5%
4. SUBCONTRACT DOLLARS AWARDED TO ALL MINORITY-OWNED BUSINESSES (MBE-SUBS)	NA	NA
PERCENTAGE OF NET TOTAL	NA	NA
5. SUBCONTRACT DOLLARS AWARDED TO ALL WOMEN-OWNED BUSINESSES (WBE-SUBS)	NA	NA
PERCENTAGE OF NET TOTAL	NA	NA

Notes:

1. This report covers Purchasing's SFGH satellite operations only.
2. This report covers total spending on Purchase Orders and Term Purchase Agreements.
3. This report does not cover SFGH Pharmacy, Food Services, and Plant Services.

6. This quarter the department made large awards to MBEs and WBEs including:

General Supply	Traffic controller
Sunwest	Microwave equipment
Lucy's Sales	Fire extinguishing equipment
Integrated Business	Local area network
RAMWMP	IBM equipment
CA Computer Options	Local area network

7. This quarter the department attended three outreach events:

- Northern California Purchasing Council, Annual Symposium on Minority Purchasing Issues

City representatives at the symposium included:

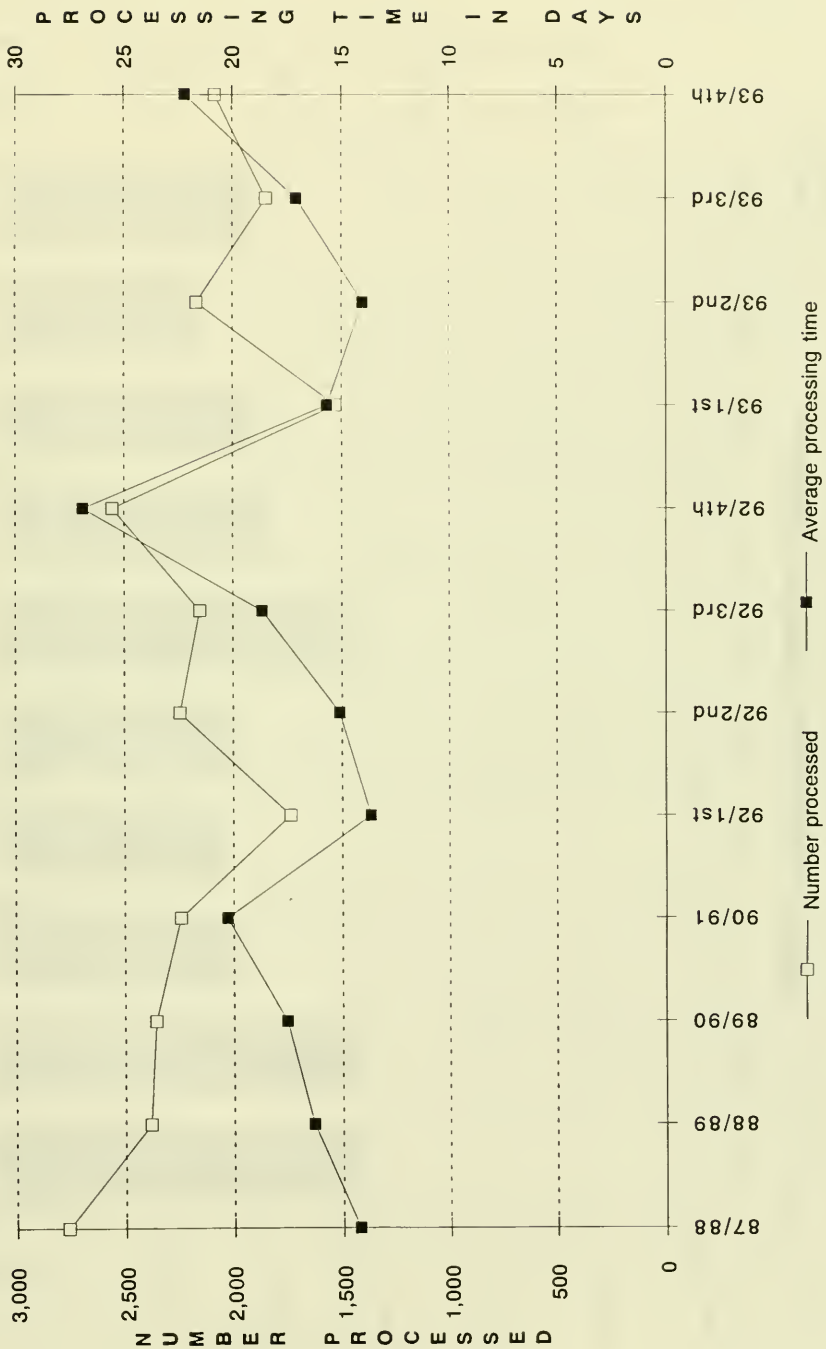
- Rudolf Nothenberg, CAO
 - Marvin Geistlinger, Director of Purchasing
 - John Cribbs, Director of Public Works
 - Doris Ward, Assessor
 - Sandra Crumpler, Outreach Officer, Airport
 - Ben Kawamura, Contract Compliance Officer, Purchasing
- UC Berkeley, Business Trade Fair
 - Industry Council for Small Business Development Procurement Fair

Other activities:

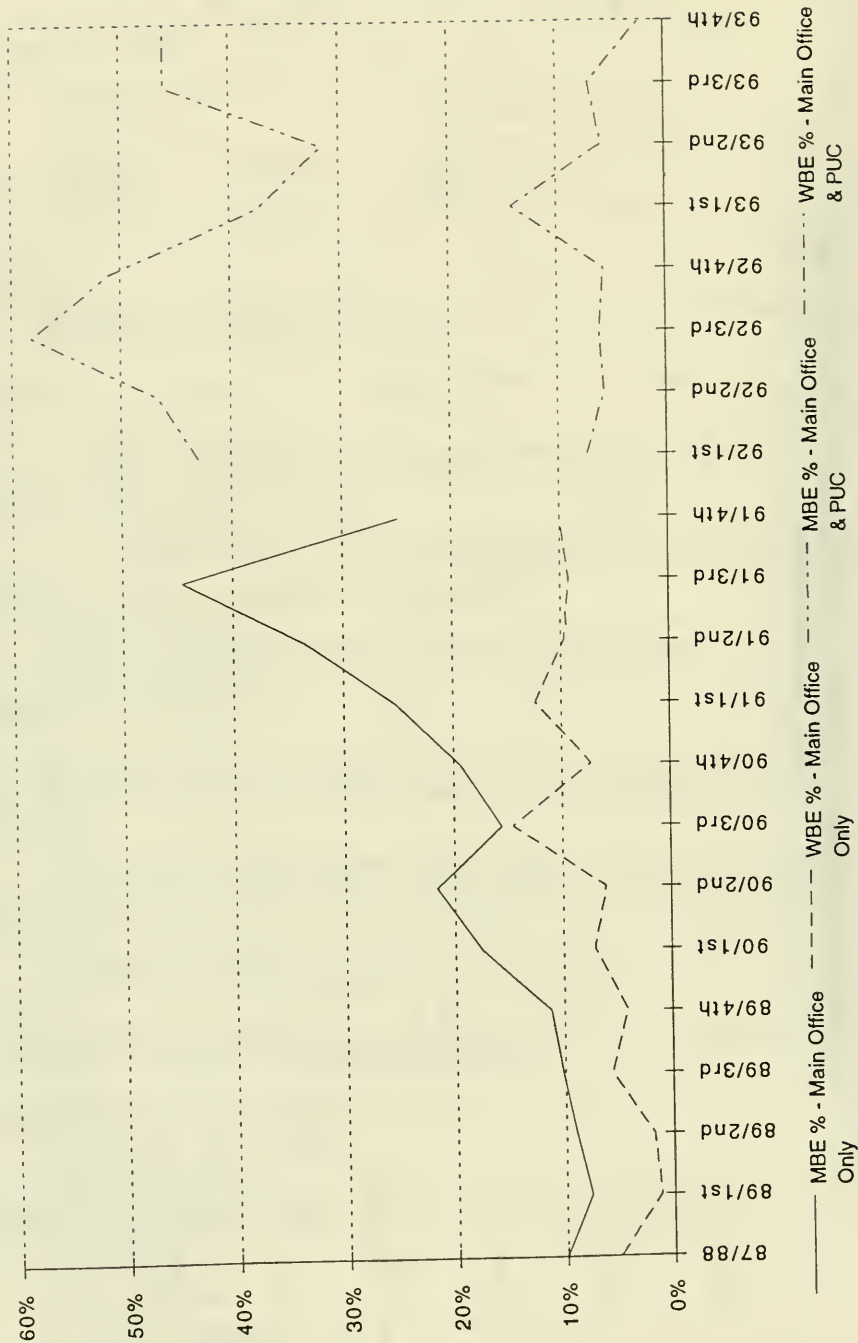
- We assisted the San Francisco Chamber of Commerce with MBE outreach by providing them with an MBE/WBE resource list.
 - In response to inquiries, we provided information to the cities of Toledo, Memphis, and Oakland regarding MBE/WBE implementation in San Francisco.
 - We trained three new members of Purchasing's staff on MBE/WBE purchasing goals.
8. This quarter, Purchasing as an operating department did business with MBEs and WBEs including:

Automatic Transmission
Bay Engine and Parts
California Fleet Works
General Supply
Harry Bharuchi LTD
Industrial Auto Body
J & D Brake
S & C Ford
Santora Sales
SF Micro
TGC Truck Repair
Toolmaster

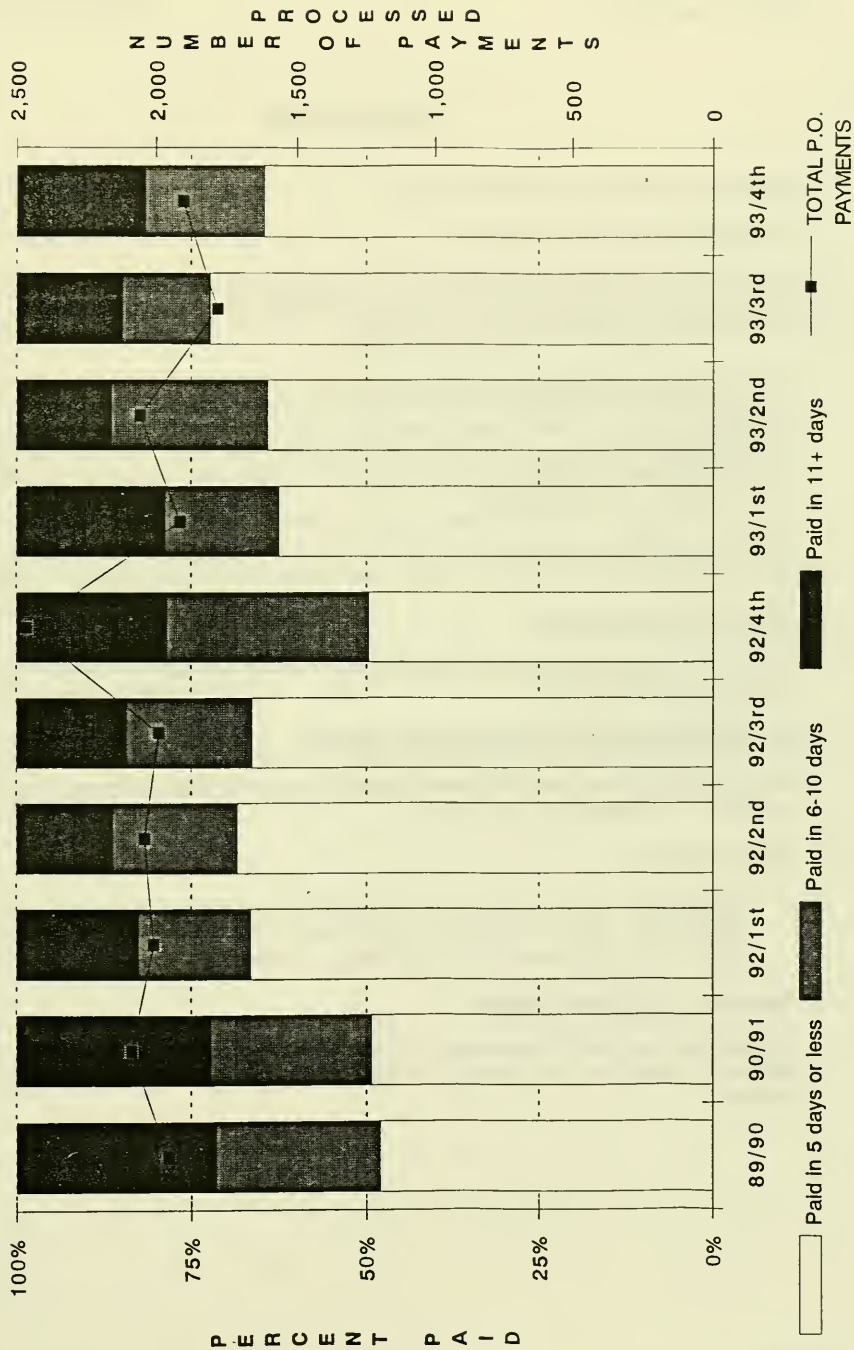
PURCHASE ORDER DOCUMENT VOLUME AND PROCESSING TIME ALL AUTHORITIES



MBEWBE PROCUREMENT LEVELS



PURCHASE ORDER PAYMENTS VOLUME AND PROCESSING TIME



CENTRAL SHOPS

4th Quarter Activities and Accomplishments

- Alternative Fuels for City Vehicles

We received approval from the Transportation Authority for funding (through the County-return portion of the AB434 program) of the construction of a CNG fueling facility. We are in the process of evaluating prospective sites and configurations.

We coordinated the submittal of the City's applications for funding through the AB434 program, through the CAO. Applications were submitted from Purchasing, Parking and Traffic, and Recreation and Parks. Unfortunately, Purchasing's application for CNG vehicles did not receive a high enough rating to make the cutoff for funding in this grant cycle. We have met with Bay Area Air Quality Management District staff to determine how we might restructure the application to be more competitive in the next cycle.

The Mayor's Office has decided not to convert the Mayor's leased vehicle to operate on CNG at the present time; however, we will pursue this matter further after the budget process is finished.

- Fleet Management System

The bid and award process for the fleet management system hardware and software was completed by the end of the fiscal year.

- Facilities Maintenance and Capital Improvements

Monitoring wells were installed at Central Shops, for measuring levels of toxics in the underground water table. Testing will be done in July.

- Waste reduction

-- rerefined oil: Some or all of the vehicles from the following departments now are using rerefined oil: Police; Social Services; Public Health. We are gradually converting most of the City's vehicles maintained by Central Shops to rerefined oil.

- Reminder on City fueling facilities

A memo was sent to all City departments as a reminder to use fuel stations operated by Central Shops wherever possible. As we indicated, our fuel prices are 10% lower than those of commercial stations.

CENTRAL SHOPS

Performance Indicators

- Vehicle availability

Average monthly availability targets were met during the quarter. After having been below target for five quarters in a row, the average monthly availability target for DPW Construction Equipment was changed from 85% to 75% by DPW. Central Shops should be able to meet this new target on a regular basis.

Daily availability targets were not achieved on particular days for the following fleets during the quarter:

- Traffic Motorcycles (5 days below target in April; 4 days in June);
- DPW Aerials (2 days in April, 6 days in May, 25 days in June);
- DPW Sweepers (1 day in June);
- DPW Sewer Cleaners (3 days in June);

We coordinated with DPW and Parking and Traffic to minimize any operational problems, and no significant problems were reported.

The problem with the DPW Aerials arose from structural damage that was identified through a scheduled inspection. Four trucks had to be sent to the manufacturer's authorized representative for repairs, and were out of service for part of May and most of June.

CENTRAL SHOPS

Summary of progress against objectives for FY 92-93

- Automation. Acquire and begin implementation of an automated fleet management system.

The software for the fleet management system has already been received, and we have begun loading vehicle information into the system using existing hardware. The required additional computers should be received in the 1st quarter.

- Facilities maintenance and capital improvements. Complete driveway and sewer project, contingent on availability of increased funding.

DPW has informed us that the driveway project will go out to bid this month.

As recommended by the City Attorney's Office, we installed three ground water wells to test for toxics contamination. The first samples from the wells are currently being analyzed.

- Office facilities. Remodel existing office space in Central Shops. Completed.
- Injury prevention program. Finish corrective actions needed in response to DPH baseline inspection. Develop system for conducting and documenting shop-specific employee safety training.

A system for conducting and documenting shop-specific employee safety training has been developed and implemented.

Addressing the corrective actions recommended in the DPH Baseline Assessment will be a multiyear process. We are addressing the most serious items first. The following items have been corrected:

- Overhead cranes are now inspected annually by a certified inspector.
- A basic preventive maintenance program was established for vehicle lifts; the program will be expanded this year.
- Electrical deficiencies throughout the shops were corrected.
- Hearing conservation and respiratory protection programs were established.
- A blood-borne pathogen and exposure program was established.
- Eye protection training was conducted.
- Approved air hoses were installed on the respirator in the paint booth.
- Signs for hazardous equipment were installed.
- DPH conducted a facility asbestos inspection at Central Shops, and will arrange and required remediation work.

CENTRAL SHOPS

Summary of progress against objectives for FY 92-93

- Alternative Fuels for City Vehicles Acquire and test in operation one CNG car and one CNG pickup truck. Identify and evaluate possible sites for locating a CNG fueling station.

We acquired one CNG vehicle, and five more are on order, to be delivered in September.

We received approval for a \$500,000 grant to construct a CNG fueling facility. Sites under consideration are: DPW Army Street Yard; Central Shops; Water Department.

Until the permanent station is established, we are considering a temporary, trailer-based system on our property.

- Vehicle leasing/chargeback system. Evaluate the possibility of implementing a vehicle leasing/chargeback system.

No progress has been made on this objective. It will not be pursued until after the automated fleet management system is in place.

- Rerefined Oil. Convert the fleet to use rerefined oil.

Some or all of the vehicles from the following departments now are using rerefined oil:

- Police;
- Social Services;
- Public Health

We are gradually converting most of the City's vehicles maintained by Central Shops to rerefined oil.

- Vehicle registrations. Assume responsibility for vehicle registration function from the Central Warehouse, and implement an automated connection with DMV.

Not completed due to shortage of staffing at Central Warehouse. Target completion is by the end of the 2nd quarter of FY 93-94.

- Storeroom responsibility. Assume responsibility for management of Central Shops' storeroom.

Completed.

CENTRAL SHOPS

Proposed objectives for FY 93-94

- Automation. Install and implement automated fleet management system.
- Facilities maintenance and capital improvements. Complete driveway and sewer project, contingent on continued adequacy of funding.
- Injury prevention program. Continue addressing corrective actions needed in response to DPH baseline inspection.
- Alternative Fuels for City Vehicles. Build a 300 CFM CNG gas station on a suitable City site, with a tube trailer-based station on a satellite site. Continue to seek City and grant funds to purchase and convert CNG vehicles.
- Vehicle leasing/chargeback system. Evaluate the possibility of implementing a vehicle leasing/chargeback system (to be initiated after automated fleet management system is implemented).
- Rerefined Oil. Continue to convert the fleet to use rerefined oil.
- Vehicle registrations. Assume responsibility for vehicle registration function from the Central Warehouse, and implement an automated connection with DMV.

REPRODUCTION AND MAIL SERVICES

4th Quarter Activities and Accomplishments

- Organization and staffing

We completed the selection process for the Assistant Reproduction Manager position vacated by the resignation of Joe Garcia.

- OCR/Barcoding equipment

The bid and award process for the OCR/Barcoding equipment was completed by the end of the fiscal year. The equipment is scheduled to be installed in August. In conjunction with the arrival of this equipment, we will be notifying departments not to submit handwritten addresses. All mail must be machine-addressed, either by typewriter or computer printer.

Performance Indicators

See attached charts. Demand for both Reproduction Services and Mail Services continued the upward trend during FY 92/93. Demand for printing services in particular rose dramatically--an increase of almost 30%.

Summary of progress against objectives for FY 92-93

- Procedures documentation. Finish user and systems documentation for accounting system used in Reproduction and Mail.

Not completed, due to lack of Reproduction Manager's time, exacerbated by resignation of Assistant Manager. Carried forward to FY 93-94.

- Bar-code printer/sorter machine. Acquire and implement bar-code printing and sorting machine (five-year lease-purchase, \$50,000 per year cost to be recovered in saved postage costs).

Scheduled to be installed in August, as described above.

- Electronic printing equipment. Evaluate practicality and cost of shifting printing work from mechanical offset printers to electronic printing equipment.

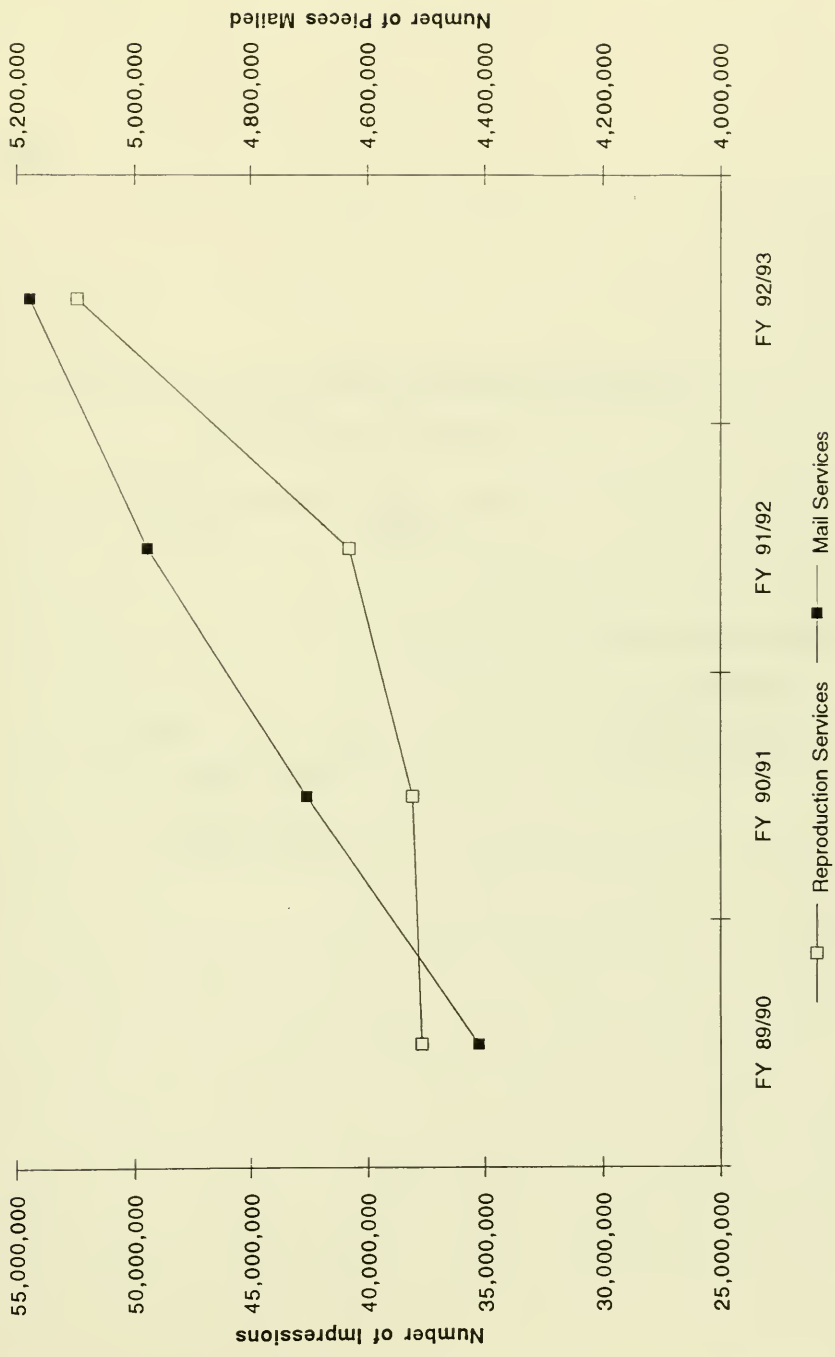
In the 1st quarter, we leased a Xerox Docutech Publisher, a high speed duplicator that scans documents and stores them in memory while printing other documents. The productivity of this enabled by this machine is enormous in comparison to other copy machines and offset printers, and is a major factor in Reproduction's increased output during FY 92-93.

REPRODUCTION AND MAIL SERVICES

Proposed objectives for FY 93-94

- Electronic printing equipment. Continue to increase Reproduction's capacity in the electronic publishing area.
- Procedures documentation. Finish user and systems documentation for accounting system used in Reproduction and Mail.
- Bar-code printer/sorter machine. Complete implementation of bar-code printing and sorting machine.
- Relocation. Work with Real Estate in locating temporary site for Reproduction and Mail Services during seismic work in City Hall.

Reproduction & Mail Services Four-Year Growth in Volume



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1993-94

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PURCHASING DEPARTMENT QUARTERLY REPORT

FY 93-94 4TH QUARTER

/// Annual Report

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INTRODUCTION

This report presents, in narrative and graphical form, a perspective of the Purchasing Department's performance during the preceding quarter. It is divided into three sections:

- Procurement Services
- Central Shops
- Reproduction and Mail Services

Each section of the report presents:

- a description of the division's major activities and accomplishments of the preceding quarter;
- comments regarding the division's performance indicators for the quarter;
- graphs and tables of the performance indicators.

Fiscal-Year Objectives. At the beginning of each fiscal year, the department establishes specific objectives for the year. The objectives are of several types:

- **mission-related:** objectives directly related to the department's overall service mission and goals;
- **special projects:** objectives to address special programs and projects already identified at the beginning of the year;
- **internal operational objectives** in areas such as:
 - organization and staffing;
 - MIS development;
 - procedures development and staff training;
 - safety.

For reference, the current-year objectives are included at the end of each section of the quarterly report. The 4th quarter report includes a year-end report which presents a summary of progress against objectives for the fiscal year.

The quarterly reports do not necessarily report progress for every objective. Some objectives may be achieved and progress be reported in the 1st quarter report. Progress against other objectives may not occur or be reported until the 4th quarter.

The department's achievement of its objectives is contingent to an extent on external factors including:

- unanticipated requirements, special projects, and responsibilities imposed during the year;
- prolonged staffing shortages and fiscal constraints.

Such unanticipated workloads and resource problems also are described in each quarterly report.

Performance Indicators. The performance indicators are quantitative measures of the department's workloads and performance in meeting those workloads. They are very useful for all employees in understanding where the department has opportunities to improve performance. Presented in the form of graphs and tables, they also illustrate the levels of improvement that the department achieves over time.

PROCUREMENT SERVICES

4th Quarter Activities and Accomplishments

- **Proposition Q Implementation**

Preparations for the implementation of Proposition Q were completed this quarter, including:

- completing the Prop Q procedures and reviewing with the Prop Q committee;
- distributing the procedures as Chapter 1000 of the *Guide to Ordering Goods and Services*;
- developing and distributing new Departmental Purchase Order forms;
- conducting Prop Q training session attended by 60 representatives of City departments.

- **Decentralization of Purchase Order Invoice Function**

As a result of budget reductions, processing of invoices on purchase orders is being decentralized. This function will be assumed by City departments starting August 1.

- **Procedures Development/Training Program/Legislation/Communications**

- Update to Procurement Manual: Three documents were published comprising the competitive bidding section of the *Manual*.
- Major revision to Administrative Code: Our major revision to Chapter 21 of the Administrative Code was initially reviewed by the City Attorney's staff. Rather than have this legislation introduced to the Board of Supervisors now, we are planning to wait until any Charter changes take place this November, because additional Ad Code changes are likely to be needed.
- Services contracting: The draft joint memo from Purchasing and the PUC to Human Resources on this issue was being reviewed by PUC management, but has not yet been sent to HRD.
- FTA audit of PUC procurement: We sent our comments to the PUC regarding those sections of the FTA audit dealing with Purchasing, and also reviewed the PUC's own response to FTA.
- Procedures for purchasing electrical items: In consultation with DPW, we streamlined the purchasing process for electrical items. A directive was sent to City departments instructing them that they no longer need to submit a form to Purchasing for electrical orders.
- Ordering procedures for FY 94-95: With the Controller, we sent a memo to City departments on ordering procedures for FY 94-95.
- HRC interface: We streamlined the procedure for obtaining HRC's approval of certain forms.
- MBE/WBE outreach: We publicized the availability of the bid opportunities newsletter by mailing a sample to 200 MBE/WBE firms. About 20% of these firms became new subscribers.

We attended the Small Business Fair at SF State to explain how the City buys goods and services and distribute copies of newsletters and vendor booklets.

PROCUREMENT SERVICES

4th Quarter Activities and Accomplishments (continued)

- Procurement System and Government Financials Projects

As reported last quarter, the Controller has selected KPMG Peat Marwick's ONLINE FAMIS system, which is scheduled for implementation in May, 1995.

The purchasing component of the KPMG system is called ADPICS. A functional evaluation of this system was completed in June by a team from Purchasing, Controller, DPW, PUC, DPH, Airport, and several other departments. Based on this review, the review team has recommended that ADPICS be used as the front end to ONLINE FAMIS, including the following major functions:

- requisitioning and pre-encumbrance
- purchase order
- receiving
- accounts payable

ADPICS implementation will follow a parallel track slightly behind the FAMIS implementation. A workplan will be developed with activities, timeframes, staff assignments, and milestones.

The primary weakness of ADPICS is that it does not meet all of the City's essential bid processing needs. The implementation team will determine how to address these weaknesses as part of the overall implementation plan, to be completed by the end of the 1st quarter of FY 94-95.

- Term Contracts

The term contract development plan and model term contract were completed and issued. These revisions include an emergency response clause and a Sunshine Ordinance condition. The goal remains to be to have established twenty-five new term contracts by 10-1-94.

Seventeen term contracts were awarded/extended during the quarter, including:

- office supplies;
- janitorial paper products;
- stationery paper (recycled).

In addition, thirty-eight term contracts were in the process of being reviewed, revised, bid, or evaluated for award, including:

- forms management;
- medical and surgical supplies #3
- laundry services-SFGH;
- paint and painting supplies
- lubricants.

Additional prospective new term contract areas identified during the quarter include:

- computer supplies;
- coach and trolley parts.

PROCUREMENT SERVICES

4th Quarter Activities and Accomplishments (continued)

- Purchasing Issues at San Francisco General Hospital

Our Supervising Purchaser for the Health Department started on May 2. He is Greg Pustelnik, formerly Director of Purchasing at Brookside Hospital (Contra Costa County). SFGH management is still in the process of seeking authorization to fill a new position of Materials Manager.

- Satellite Operations

Supervisory staff regularly visited each satellite operation throughout the quarter.

- Official Advertising

We continued to devote a large amount of time to the issue of official advertising. The Board finally passed a resolution authorizing award to the Examiner as the lowest responsive bidder. A change to the Ad Code also was passed allowing the Board in the future not to accept Purchasing's recommendation and to make a different award based on factors other than lowest cost.

- Travel Contract

Omega World Travel was awarded the contract for travel services. Omega started on May 15.

- Cost-Per-Copy Copier Rental Program

Master agreements were awarded to Minolta, Lanier, and Savin. Agreements are pending with Canon and Pitney Bowes.

- Sheriff's Detention Facility

We are conducting bimonthly meetings with Sheriff and DPH Forensics staff regarding purchases associated with the new Detention Facility anticipated to open in January, 1995.

- City Hall Relocation

Specifications and schedule requirements for bidding of the moving contracts are being prepared by a consultant under contract with Turner Construction.

- Emergency Response Plan

Purchasing staff continues to participate in the Mayor's Office of Emergency Services task force to revise the Citywide emergency response plan.

- Waste Reduction

- rerefined oil: Central Shops continues to test the use of rerefined oil.

- industrial paper: The industrial (janitorial) paper term contract was awarded. This contract includes recycled paper towel rolls rather than folded towels.

PROCUREMENT SERVICES

Performance Indicators

- Purchase Orders Processed and Average Processing Time

Approximately 1,700 purchase orders were awarded during the quarter, with an average processing time of 12 days (figures from central office tracking system, do not include PUC and SFGH). Both of these figures are very low in comparison to historical averages.

For FY 92-93 overall, the volume of purchase orders through the main office continued the downward trend of the past several years. Factors causing the reduction may include:

- continued shifting of purchase volume from requisitions to term purchase agreements tied to term contracts;
- cuts in equipment budgets.

- MBE/WBE Participation

<u>MBE Procurement</u>	<u>PO's</u>	<u>TPA's</u>	<u>Total</u>
Central Office/PUC combined	23.6%	16.8%	19.2%
SFGH			NA
<u>WBE Procurement</u>			
Central Office/PUC combined	2.2	1.8	1.9
SFGH			NA

These figures are for awards made to San Francisco-based firms only.

SFGH data are not available as of the date of this report. SFGH data are still being reported separately from the rest of the department, as the accuracy of the data remains a concern.

PROCUREMENT SERVICES

PROGRESS ON OBJECTIVES FOR FY 93-94

OBJECTIVE	TARGET
<ul style="list-style-type: none"> Continue to plan for addressing impacts--in terms of both systems and financial requirements--of Oracle Financials on the procurement system. <p>We continued to participate in the Controller's Governmental Financials Project throughout the year. The Controller selected KPMG Peat Marwick's ONLINE FAMIS system instead of continuing with Oracle. The purchasing component of the KPMG system is called ADPICS. The review team recommended that ADPICS be used as the front end to ONLINE FAMIS (see 4th quarter activities section).</p>	continuing
<p>PROCEDURES DEVELOPMENT/LEGISLATION/COMMUNICATIONS:</p> <ul style="list-style-type: none"> Develop and implement regulations and departmental instructions associated with delegation of purchases under \$5,000 (contingent on passage of November Charter amendment proposition). <p>Completed in the 4th quarter.</p> <ul style="list-style-type: none"> Publish Chapters 300 and 800 of the Purchasing Procedures Manual. <p>Chapter 300 (Direct Payment Voucher) has been deferred to FY 94-95 because it will relate closely to Chapter 1000 (Proposition Q) which was published late in the 4th quarter.</p> <p>Chapter 800 was published in the 3rd quarter.</p> <ul style="list-style-type: none"> Continue development of the Procurement Manual, and publish the sections on competitive bidding procedures, state and federal requirements, and emergency purchases. <p>The section on competitive bidding was published in the 3rd quarter.</p> <p>Two other sections also were completed and published: standard filing procedures and organization of contract files; index of City Attorney opinions and memos related to Purchasing.</p> <p>We are still expecting comments from the PUC and other departments on the draft section on state and federal requirements that we distributed almost a year ago.</p> <p>We expect the section on emergency purchases to be completed in the 1st quarter of FY 94-95.</p>	<p>2nd/3rd quarter</p> <p>3rd quarter</p> <p>3rd quarter</p>

PROCUREMENT SERVICES

PROGRESS ON OBJECTIVES FOR FY 93-94

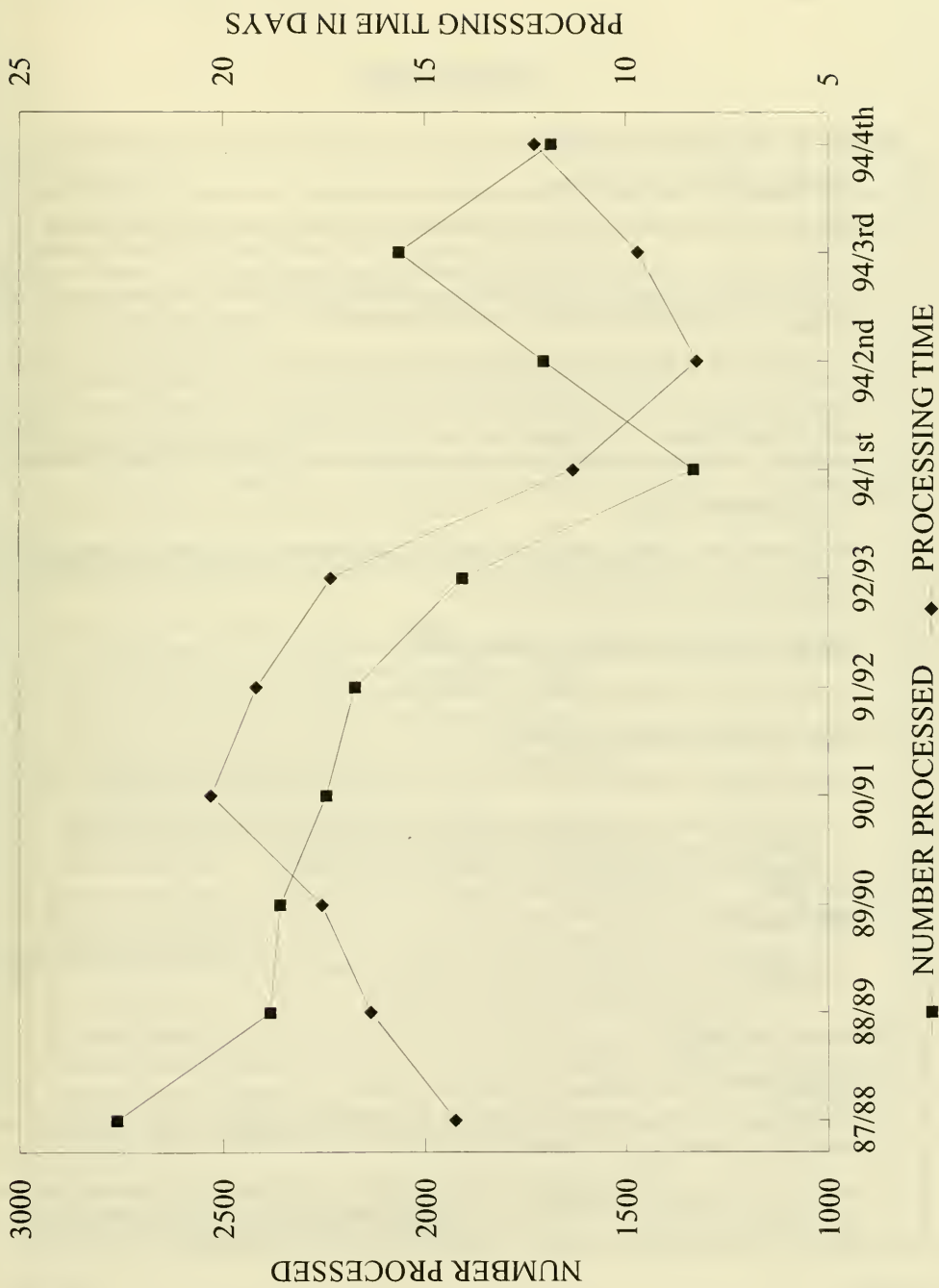
OBJECTIVE	TARGET
<ul style="list-style-type: none"> • Continue revision of the City's contractual documents; monitoring progress of legislation; and implementing procedural changes as necessary. <p>We developed a major revision to Chapter 21 of the Administrative Code, which is still under review by the City Attorney's staff. Additional changes may be needed if Charter changes are passed in November.</p> <p>We also developed and submitted to Supervisor Kaufman's Office a draft revision to Purchasing's section of the Charter.</p> <p>Several changes were implemented over the course of the year to streamline purchasing procedures, including: removal of burdensome requirements on electrical purchases, in consultation with DPW; streamlining process for obtaining HRC approval of various documents.</p>	<p>continuing</p>
<ul style="list-style-type: none"> • Implement various service modifications to reduce administrative workloads. <p>Among the changes implemented over the year were:</p> <ul style="list-style-type: none"> -- closing the City Hall storeroom and absorbing the office supplies Direct Order Center function within the main office; developing a new office supplies contract that enables departments to enter orders directly; -- converting most of the MBE/WBE bid opportunities newsletter to a FAX-based system rather than mail; -- redistributing MBE/WBE monitoring and support functions across purchasers and support staff; -- revising hours for reception of vendors and City department representatives at the main office from 1:00 - 5:00 p.m.; -- eliminating the sale of documents on behalf of other departments; -- contracting out (as much as possible) the sale and disposal of surplus materials and equipment, as is already done for surplus vehicles. 	<p>3rd quarter</p>

PROCUREMENT SERVICES

PROGRESS ON OBJECTIVES FOR FY 93-94

OBJECTIVE	TARGET
<p>CENTRAL WAREHOUSE:</p> <ul style="list-style-type: none"> • Complete documentation of operating procedures for: surplus property disposal; property transfers to/from departments; sales to contractors and the general public. The operating procedures have been completed in draft and are being reviewed internally. The procedures will be in place by the end of the 4th quarter. • Formally transfer responsibility for ordering, receiving, stocking, and issuing janitorial and housekeeping supplies located at the Central Warehouse to the Fire Department. We are in the process of transferring physical inventories and computerized inventory control system to the Fire Department. Journal entries have been submitted to reimburse Purchasing's Stores Inventory Fund for this inventory. • Participate in the Mayor's Office of Emergency Services' task force to revise emergency response plan documents. Staff participated in weekly meetings on this subject throughout the year, as well as several training exercises. • Continue to monitor contractor performance in surplus sales. We attended and inspected four of the contractor's auctions during the year. • Transfer vehicle registration function to Central Shops. Completed in 1st quarter. 	<p>3rd quarter</p> <p>4th quarter</p> <p>continuing</p> <p>continuing</p> <p>1st quarter</p>

PURCHASE ORDER VOLUME AND PROCESSING TIME



CENTRAL SHOPS

4th Quarter Activities and Accomplishments

- Alternative Fuels for City Vehicles

Central Shops management and DPW engineers continued work on planning the CNG station.

We have purchased five CNG vehicles using AB 434 grant funds from the Bay Area Air Quality Management District (administered by the Transportation Authority). There are sufficient funds left in this grant to purchase two more CNG vehicles, one of which will be for the CAO.

Our AB 434 grant request for ten more CNG vehicles was approved by the Transportation Authority.

The City and PG&E hosted a meeting at Moscone Convention Center for fleet users in San Francisco and San Mateo counties. The purpose was to establish a coalition of users in the area. The fifty participants at the meeting responded positively to the idea, and more coalition meetings are planned.

- Fleet Management System

The implementation of the system was completed for the storeroom and Fire Shop at Central Shops, in addition to the previously completed Hall of Justice implementation. We are in the process of bringing the system into use at the auto shop.

- Facilities Maintenance and Capital Improvements

The driveway and sewage line project was completed.

- Injury and Illness Prevention Program

Significant progress continued to be made on the code of safe practices for Central Shops. Also:

- We had a shed built around the compressor at Army Street to reduce exposure to noise.
- All overhead cranes were inspected and repaired as necessary.
- Asbestos coverings on pipes in the boiler room was removed.

- Waste Reduction

- rerefined oil: The lubricants contract is very close to being awarded. When it is, we will begin converting the remainder of the fleets to rerefined oil.

Performance Indicators

- Vehicle Availability

Data for June are not available at this time. Average monthly availability targets were met for the months of April and May for all fleets.

Daily availability targets also were met, with the exception of the DPW Aerials fleet, which was below target for three days. This is a very small fleet, and for three days during April there were several trucks in the shops for repairs. This did not cause problems for DPW.

CENTRAL SHOPS

PROGRESS ON OBJECTIVES FOR FY 93-94

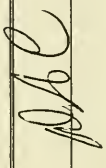
OBJECTIVE	TARGET
<p>AUTOMATION. Install and implement automated fleet management system (initially at Bryant Street in 2nd quarter of FY 93-94).</p> <p>The hardware and software for the fleet management system was installed, and has been implemented in the following locations: Hall of Justice shop; Fire Shop; main storeroom.</p>	2nd quarter FY 94-95
<p>FACILITIES MAINTENANCE AND CAPITAL IMPROVEMENTS. Complete driveway and sewer project, contingent on continued funding.</p> <p>Completed in the 4th quarter.</p>	4th quarter
<p>INJURY PREVENTION PROGRAM. Continue addressing corrective actions needed in response to DPH baseline inspection.</p> <p>Addressing these actions will be a multiyear process. The following have already been implemented:</p> <ul style="list-style-type: none"> • The Code of Safe Practices is 80% complete. • Overhead cranes are now inspected annually by a certified inspector. • A preventive maintenance program was established for lifts. • Electrical deficiencies throughout the shops were corrected. • Asbestos covering on pipes in the boiler room was removed. • Hearing conservation and respiratory protection programs were established. • A blood-borne pathogen and exposure program was established. • Eye protection training was conducted. • All employees received fire extinguisher training. • Approved air hoses were installed on the respirator in the paint booth. • Signs for hazardous equipment were installed. 	continuing
<p>ALTERNATIVE FUELS FOR CITY VEHICLES. Build a 300 CFM CNG gas station on a suitable City site, and consider a tube trailer-based station on a satellite site. Continue to seek City and grant funds to purchase and convert CNG vehicles.</p> <p>The construction of the CNG station has been turned over to DPW for design and project management. We have purchased five CNG vehicles with grant funds, and received approval for ten more (see 4th quarter activities section).</p>	4th quarter FY 94-95
<p>VEHICLE LEASING/CHARGEBACK SYSTEM. Evaluate the possibility of implementing a vehicle leasing/chargeback system (to be initiated after automated fleet management system is implemented).</p> <p>In discussion with Mayor's Office staff regarding fleet maintenance and replacement problems, we again raised the issue of a vehicle leasing system. The Mayor's staff expressed interest in the idea.</p>	4th quarter FY 94-95

CENTRAL SHOPS

PROGRESS ON OBJECTIVES FOR FY 93-94

OBJECTIVE	TARGET
REREFINED OIL. Continue to convert the fleet to use rerefined oil. Approximately sixty vehicles already have been converted to rerefined oil. The rerefined oil section of the new lubricants contract should be awarded soon. When awarded, we will begin converting more vehicles.	2nd quarter FY 94-95
VEHICLE REGISTRATIONS. Assume responsibility for vehicle registration function from the Central Warehouse. Completed in 1st quarter.	1st quarter

FLEET	FLEET SIZE	# AVAILABLE DEMAND ACTUAL	% AVAILABLE DEMAND ACTUAL	DOWN DAYS AVG TARGET	TARGET DAYS ABOVE BELOW
Ambulances	21	16 17	76% 81%	6	20 0
Fire-Aerials	26	18 24	69% 92%	1	31 0
Fire-Pumpers	58	41 55	71% 95%	2	31 0
Police-Autos	560	520 540	93% 96%	5	
Police-Motorcycles	90	85 89	94% 99%	2	
Traffic-Motorcycles	272	245 264	90% 97%	3	20 0
DPW Sweepers	40	30 35	75% 88%	10	20 0
DPW Constr Equip	93	70 86	75% 92%	6	20 0
DPW Paint Striper	2	1 2	50% 100%	0	20 0
DPW Sewer Cleaners	12	8 10	67% 83%	8	20 0
DPW Pack/Load/Flus	22	14 18	64% 82%	9	20 0
DPW Aerial	7	5 6	71% 86%	9	20 0
Truck Shop Fleet	650	585 611	90% 94%	5	20 0
Car Shop Fleet	1000	950 975	95% 98%	2	20 0

 D. Cowley

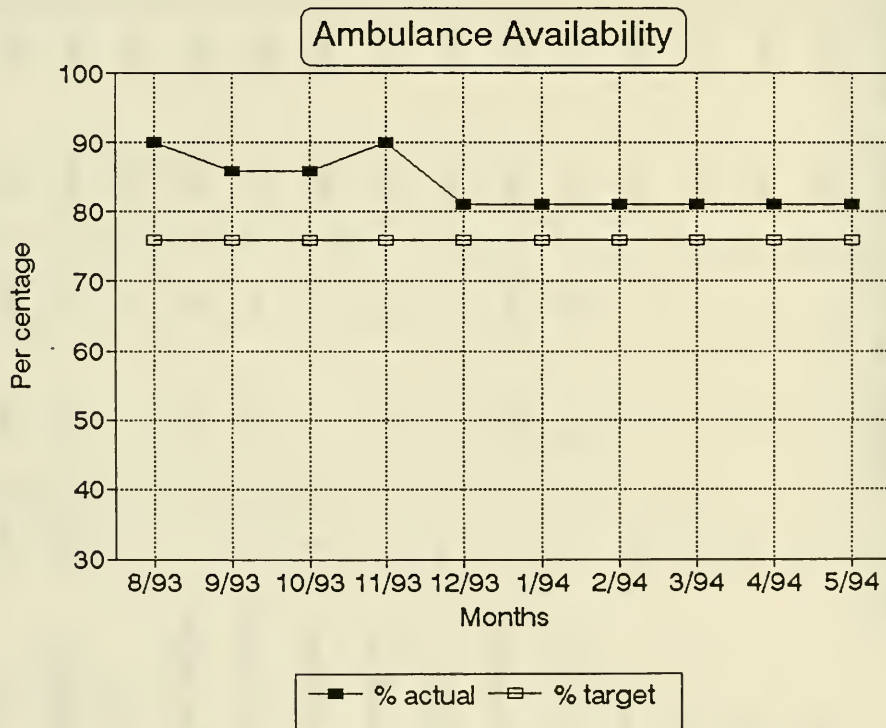
C. Vejnovsky

VEHICLE AVAILABILITY REPORT

Central Shops

May-94

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGE	ABOVE BELOW
ambulance	21	16	76%	17	81%	6	20

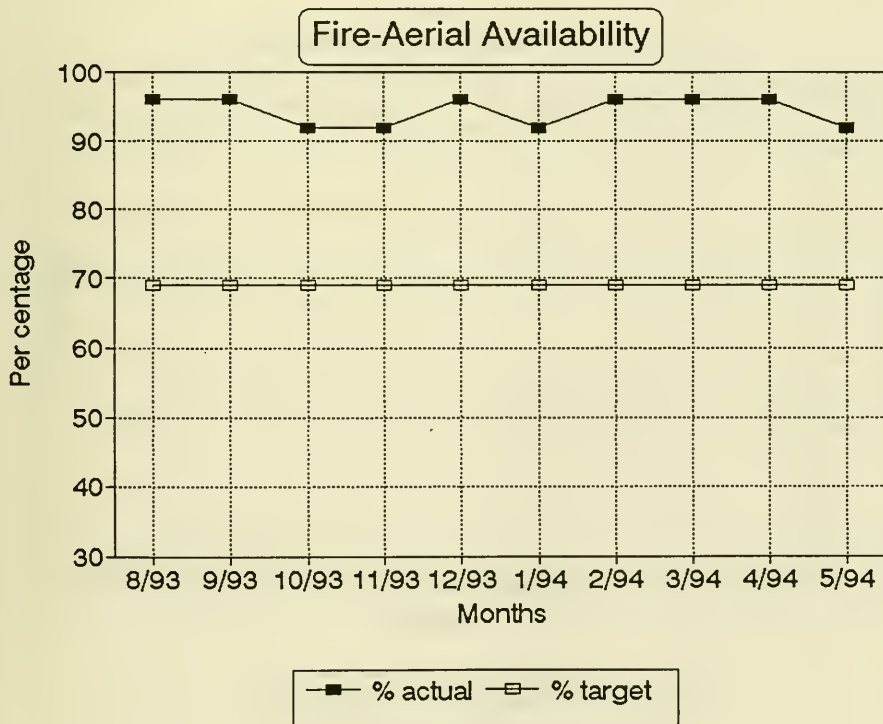


VEHICLE AVAILABILITY REPORT

Central Shops

May-94

VEHICLE	FLEET SIZE	AVAILABLE				DOWN DAYS	TARGET DAYS	
		TARGET		ACTUAL		AVG TARGE	ABOVE	BELOW
		#	%	#	%			
Fire-Aerial	26	18	69%	24	92%	1	31	0

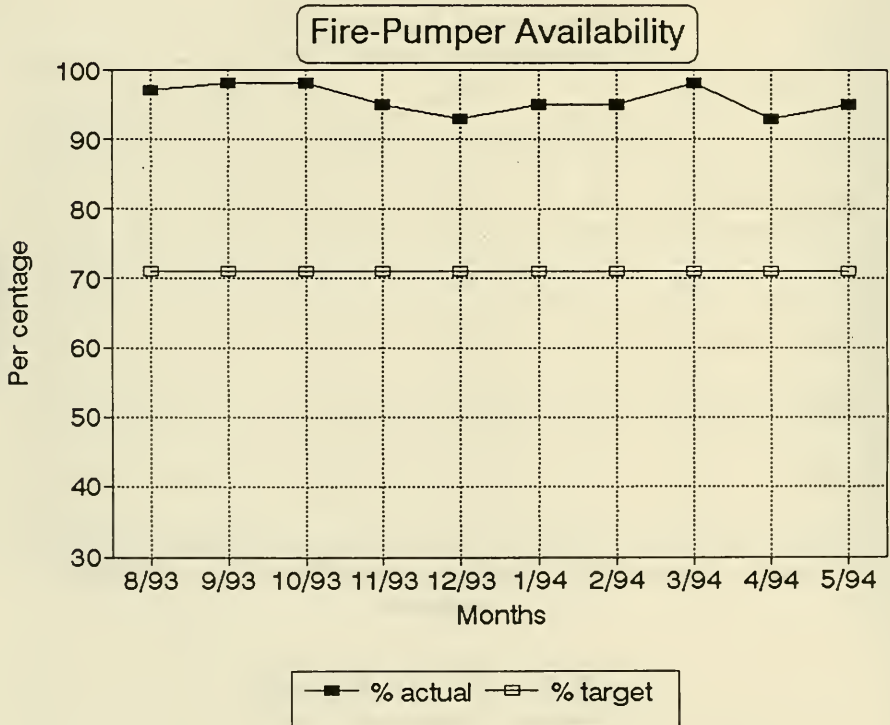


VEHICLE AVAILABILITY REPORT

Central Shops

May-94

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGET	ABOVE BELOW
pumpers	58	41	71%	55	95%	2	31

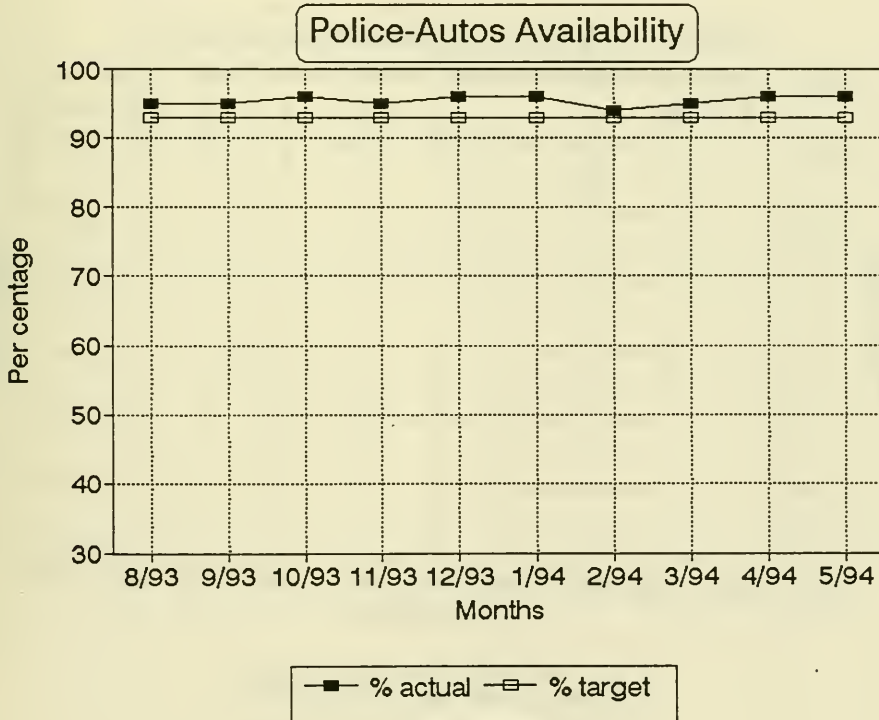


VEHICLE AVAILABILITY REPORT

Central Shops

May-94

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS AVG	TARGET DAYS	
		TARGET	ACTUAL		ABOVE		BELOW	
		#	%	#				%
police autos	560	520	93%	540	96%	5		

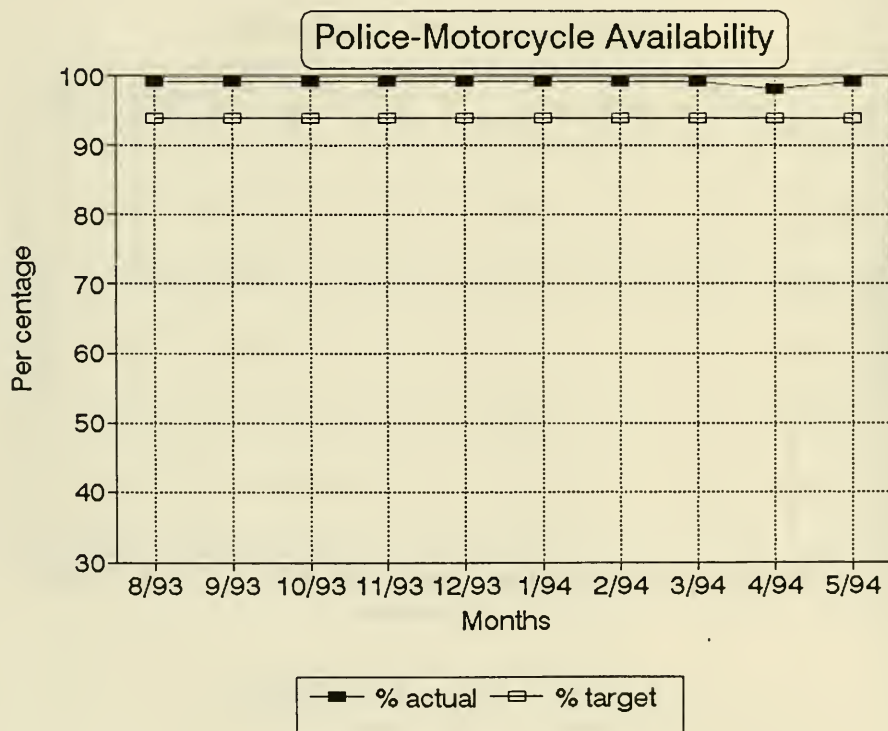


VEHICLE AVAILABILITY REPORT

Central Shops

May-94

FLEET	FLEET		AVAILABLE		DOWN DAYS	TARGET DA
	SIZ	TARGET	ACTUAL		AVG	ABOVE BEI
		#	%	#	%	
police motorcycles	90	85	94%	89	99%	2

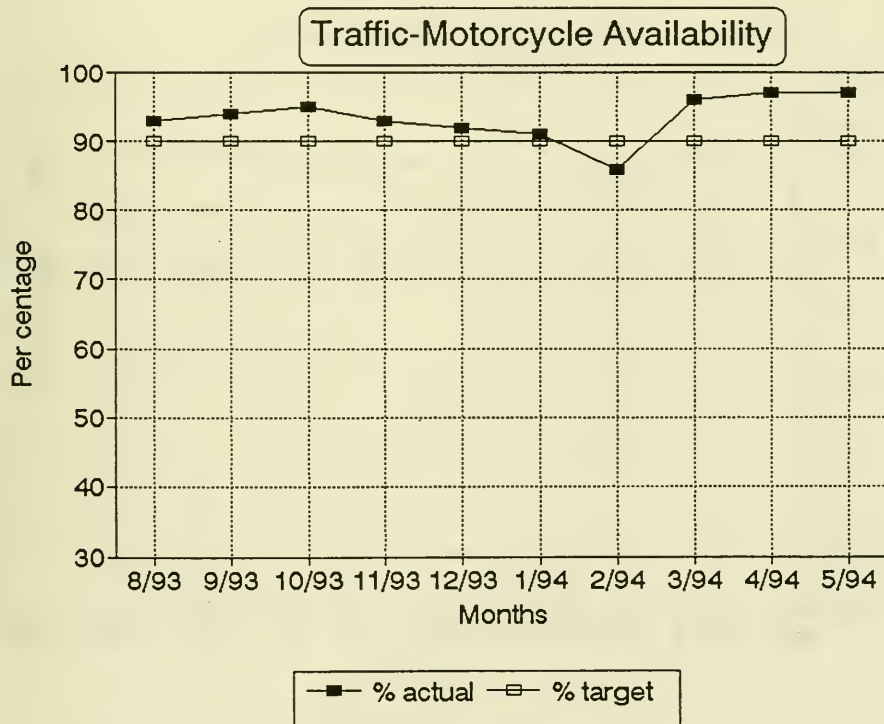


VEHICLE AVAILABILITY REPORT

Central Shops

May-94

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGET ABOVE	BELOW
traffic	272	245	90%	264	97%	3	20

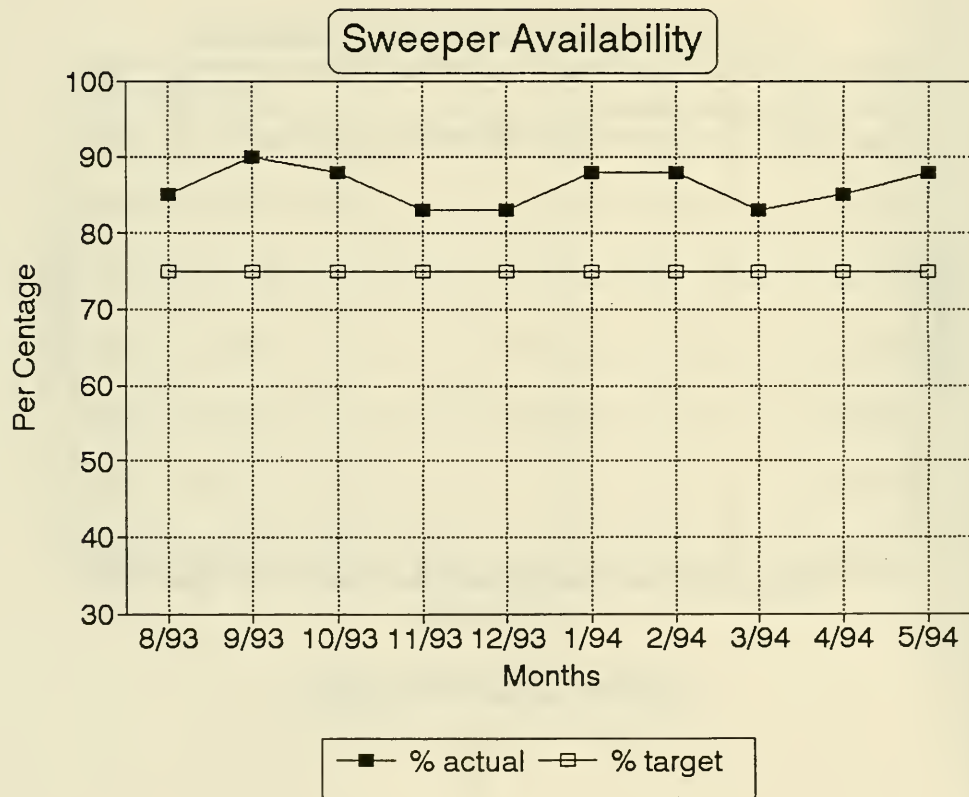


VEHICLE AVAILABILITY REPORT

Central Shops

May-94

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG	TARGE	ABOVE	BELOW
sweepers	40	30	75%	35	88%	10		20	

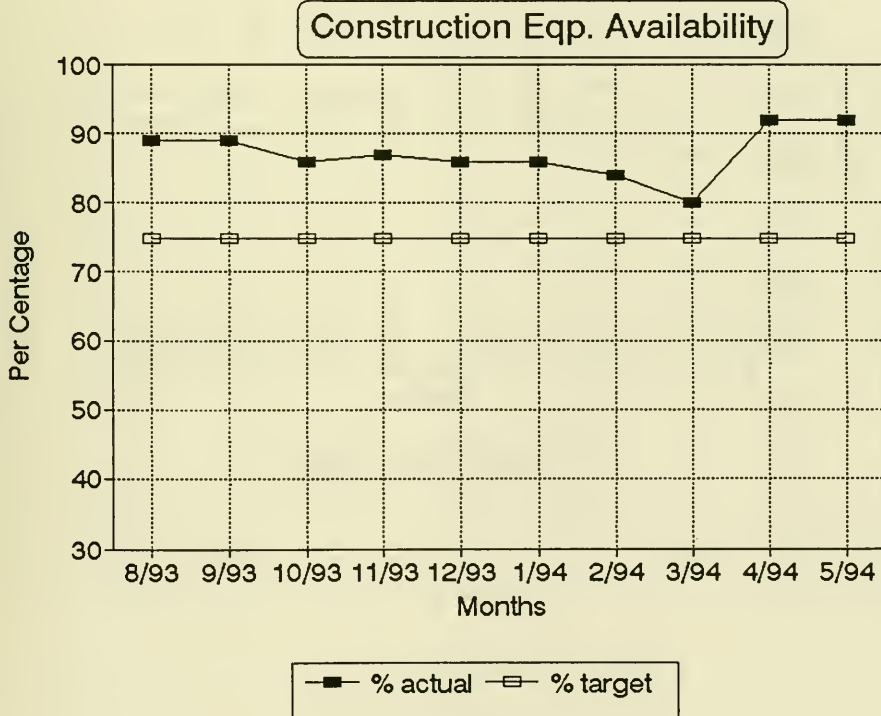


VEHICLE AVAILABILITY REPORT

Central Shops

May-94

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGET	ABOVE BELOW
onstr equip	93	70	75%	86	92%	6	20 0

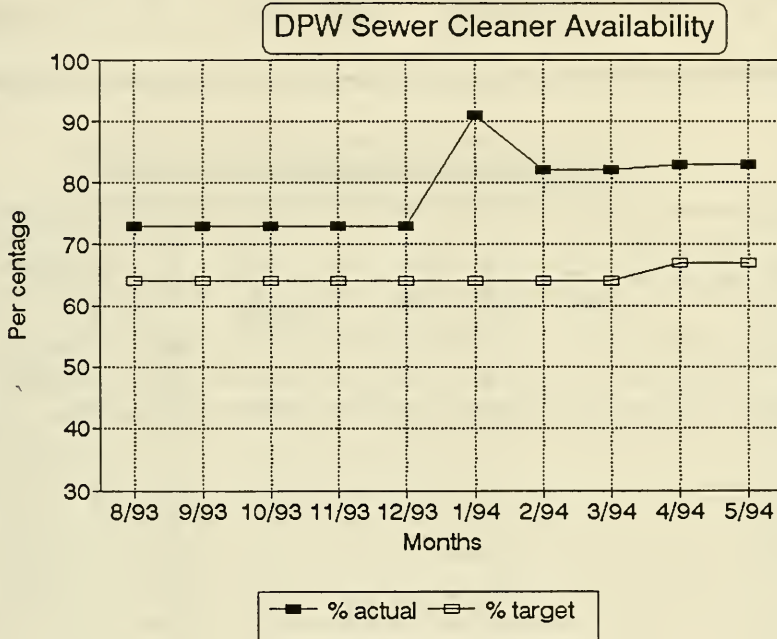


VEHICLE AVAILABILITY REPORT

Central Shops

May-94

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGE	ABOVE BELOW
sewer cleaners	12	8	67%	10	83%	8	20 0

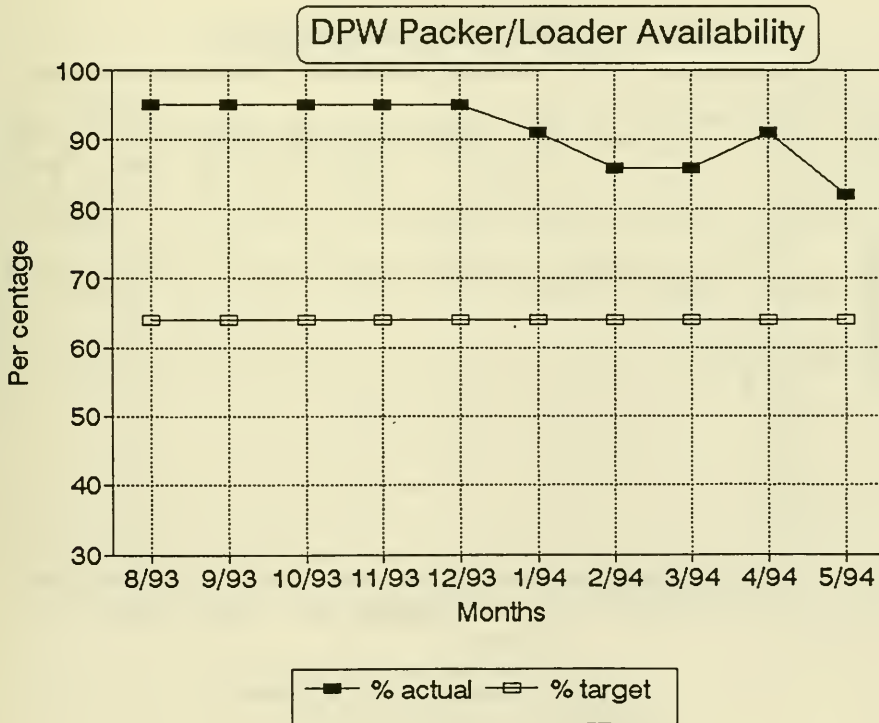


VEHICLE AVAILABILITY REPORT

Central Shops

May-94

VEHICLE	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	ACTUAL #	AVG	TARGE	ABOVE	BELOW
Packer/load/flus	22	14	64%	18	82%	9	20
							0

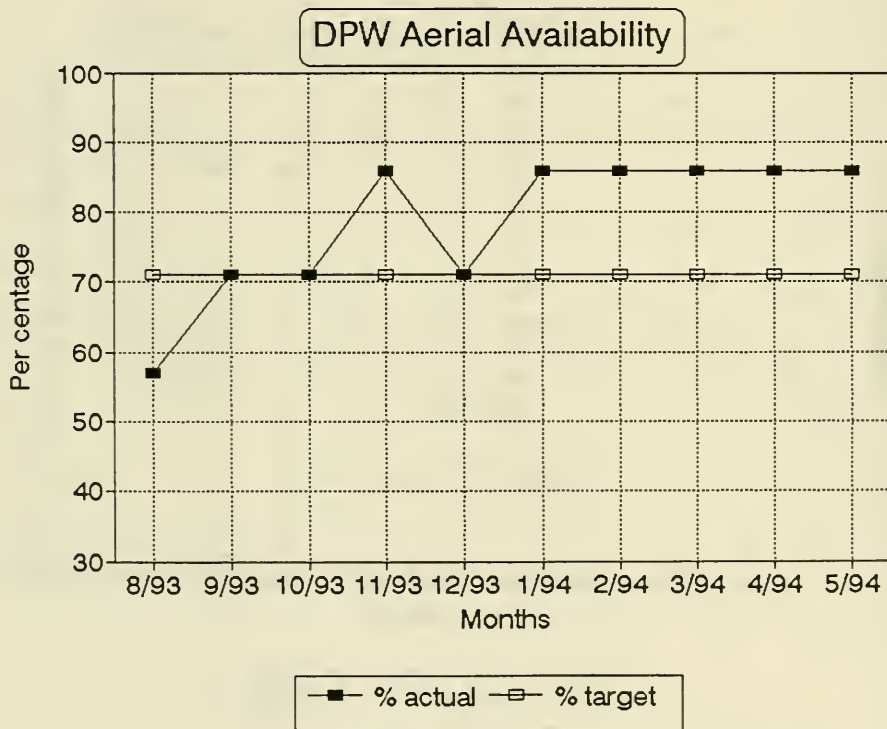


VEHICLE AVAILABILITY REPORT

Central Shops

May-94

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	ACTUAL #	AVG	TARGET	ABOVE	BELOW
dpw/aerial	7	5	6	71%	86%	9	20

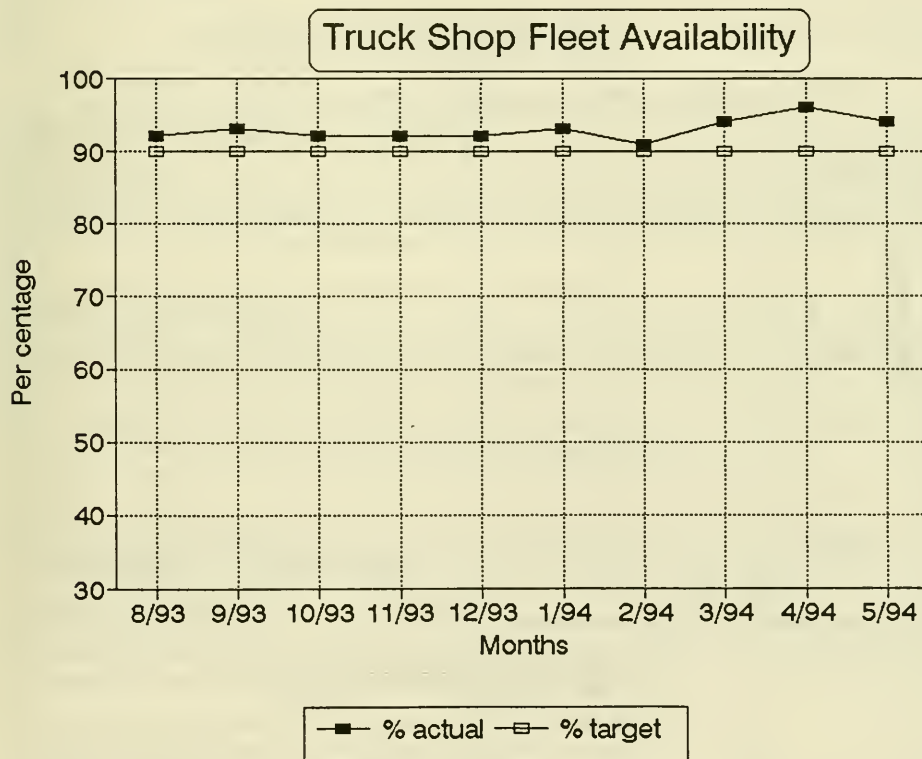


VEHICLE AVAILABILITY REPORT

Central Shops

May-94

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	ACTUAL # %	AVG	TARGE %	ABOVE	BELOW
truck shop	650	585	90% 611	94%	5	20	0

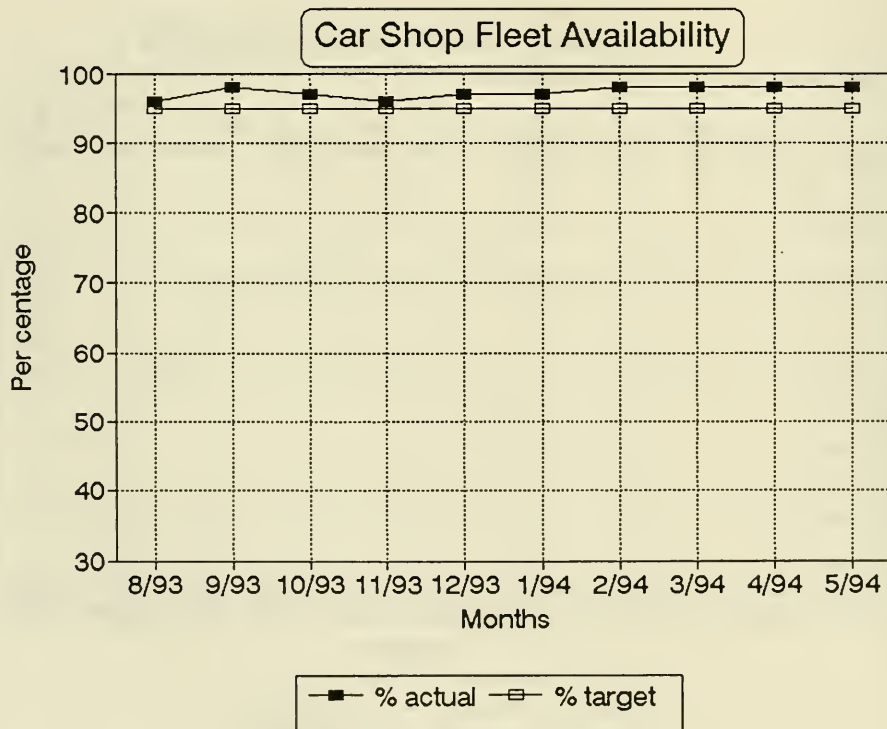


VEHICLE AVAILABILITY REPORT

Central Shops

May-94

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGET		ABOVE	BELOW
car shop	1000	950	95%	975	98%	2		20	0



REPRODUCTION AND MAIL SERVICES

4th Quarter Activities and Accomplishments

- **Relocation.** We provided information on space, equipment, and utilities requirements, and developed detailed space plans for use of architects.
- **Consolidation With Other Printing Operations.** After reviewing the potential consolidation of our printing operations with Muni's, the Mayor's Office decided to defer consideration of this for a year.
- **Production of the Mayor's budget.** We provided substantial support to the Mayor's budget staff in the creation of budget summaries and production of the required budget documents to meet the June 1 deadline.

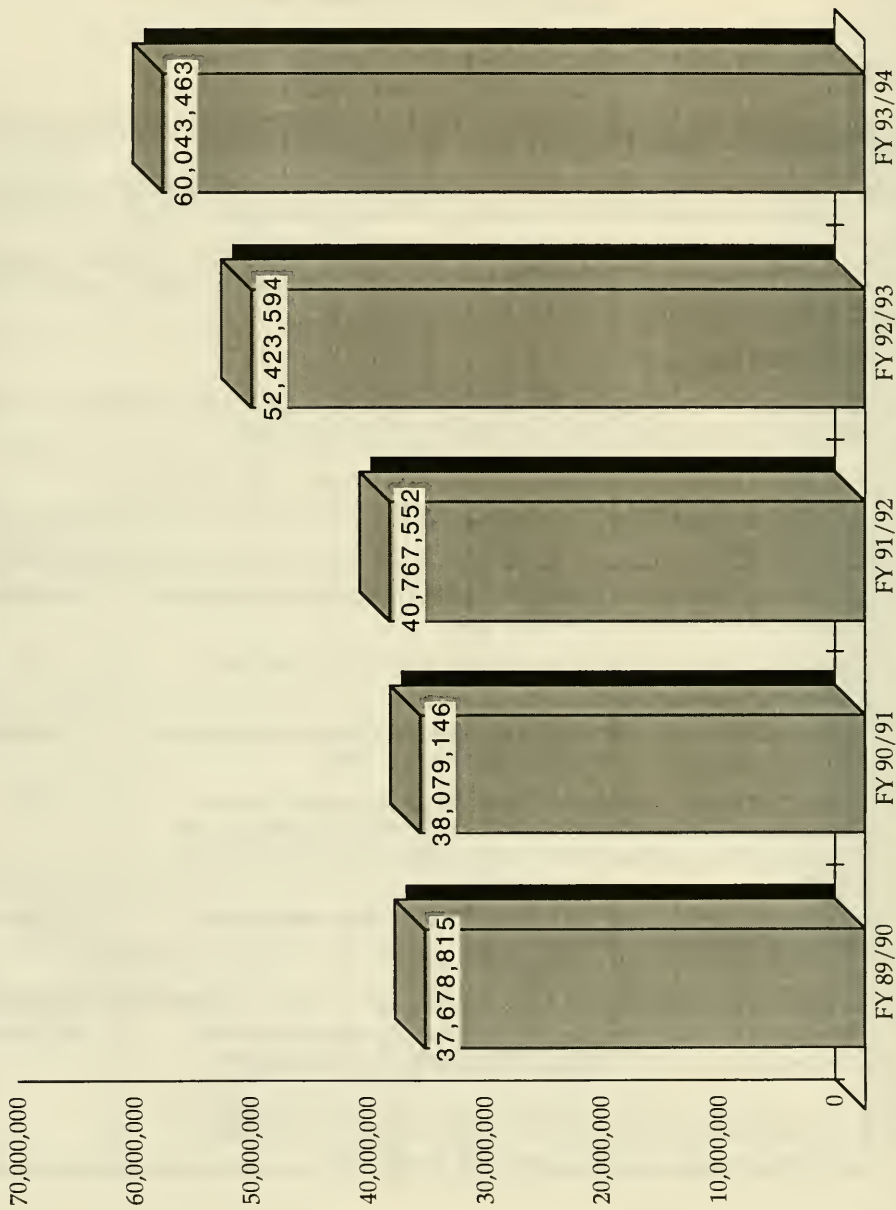
Performance Indicators

Reproduction's volume was over 60 million impressions for the year--a 15% increase from the previous high. Mail Services' piece count was consistent with historical levels.

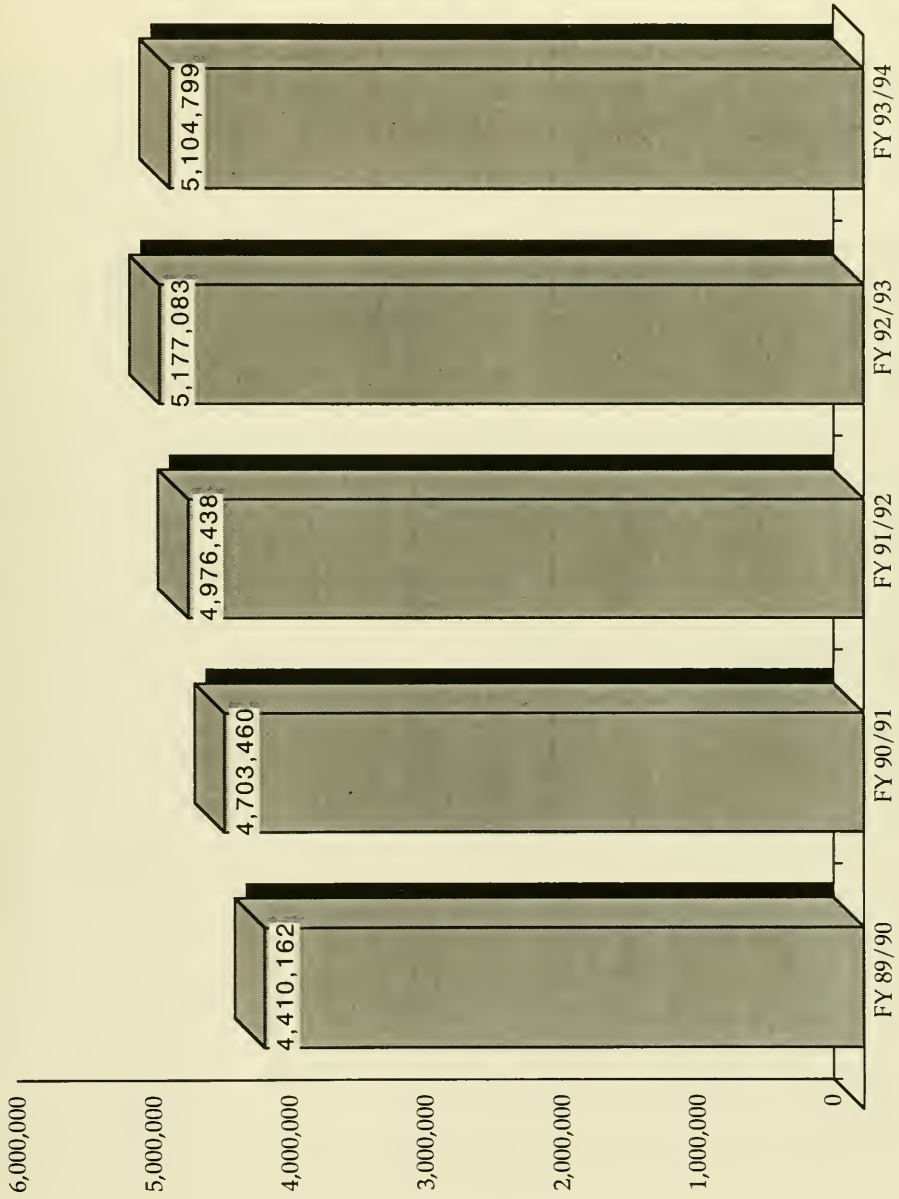
PROGRESS ON OBJECTIVES FOR FY 93-94

OBJECTIVE	TARGET
ELECTRONIC PRINTING EQUIPMENT. Continue to increase Reproduction's capacity in the electronic publishing area. We purchased all budgeted equipment in this area, including: network fileserver; digital platemaker.	4th quarter
PROCEDURES DOCUMENTATION. Finish user and systems documentation for accounting system used in Reproduction and Mail. Not accomplished. This is largely due to competing demands, such as: relocation project; analysis of potential consolidations as requested by the Mayor's Office; working with the Mayor's Office on the production of the budget.	3rd quarter
BAR-CODE PRINTER/SORTER MACHINE. Complete implementation of bar-code printing and sorting machine. Completed in 1st quarter.	2nd quarter
RELOCATION. Work with Real Estate in locating temporary site for Reproduction and Mail Services during seismic work in City Hall. After initially exploring several independent sites on other City property, it was determined that Repro/Mail would be accommodated in the main building leased for City Hall offices during the relocation.	2nd quarter

Reproduction Five Year Impression Count History



Mail Services Five Year Piece Count History



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90
1

San Francisco
Annual Report

94-95

PURCHASING DEPARTMENT QUARTERLY REPORT
FY 94-95 4TH QUARTER

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INTRODUCTION

This report presents, in narrative and graphical form, a perspective of the Purchasing Department's performance during the preceding quarter. It is divided into three sections:

- Procurement Services
- Central Shops
- Reproduction and Mail Services

Each section of the report presents:

- a description of the division's major activities and accomplishments of the preceding quarter;
- comments regarding the division's performance indicators for the quarter;
- graphs and tables of the performance indicators.

Fiscal-Year Objectives. At the beginning of each fiscal year, the department establishes specific objectives for the year. The objectives are of several types:

- mission-related: objectives directly related to the department's overall service mission and goals;
- special projects: objectives to address special programs and projects already identified at the beginning of the year;
- internal operational objectives in areas such as:
 - organization and staffing;
 - MIS development;
 - procedures development and staff training;
 - safety.

For reference, the current-year objectives are included at the end of each section of the quarterly report. The 4th quarter report includes a year-end report which presents a summary of progress against objectives for the fiscal year.

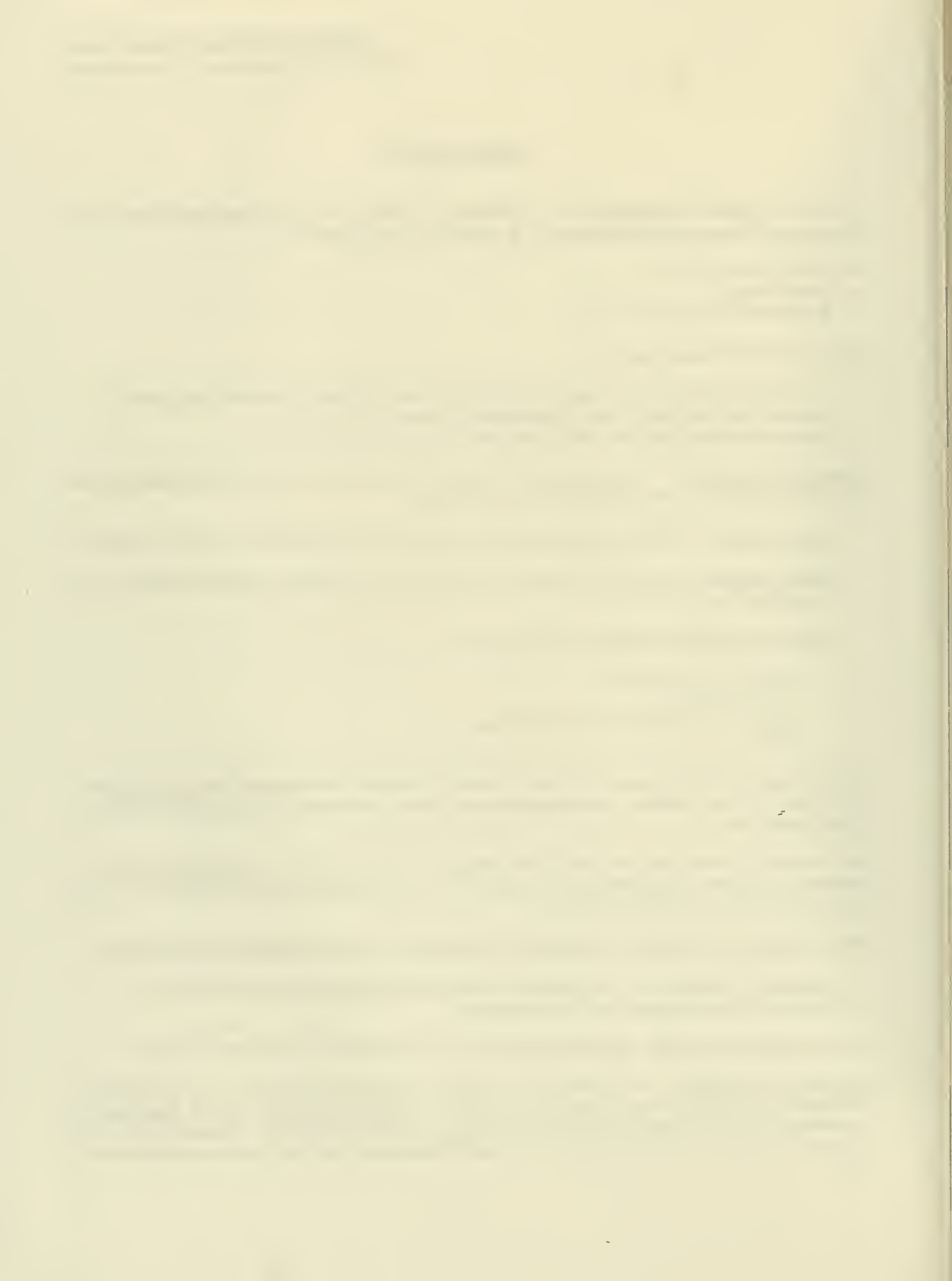
The quarterly reports do not necessarily report progress for every objective. Some objectives may be achieved and progress be reported in the 1st quarter report. Progress against other objectives may not occur or be reported until the 4th quarter.

The department's achievement of its objectives is contingent to an extent on external factors including:

- unanticipated requirements, special projects, and responsibilities imposed during the year;
- prolonged staffing shortages and fiscal constraints.

Such unanticipated workloads and resource problems also are described in each quarterly report.

Performance Indicators. The performance indicators are quantitative measures of the department's workloads and performance in meeting those workloads. They are very useful for all employees in understanding where the department has opportunities to improve performance. Presented in the form of graphs and tables, they also illustrate the levels of improvement that the department achieves over time.



PROCUREMENT SERVICES

4th Quarter Activities and Accomplishments

- Zero-Based Budget Analysis

The Budget Analyst for the Board of Supervisors completed the zero-based budget review of Purchasing, and presented the report to the Board's Budget Committee. The report and presentation were positive and supportive of the department. From a financial standpoint, no significant budget cuts resulted from the process.

- Mayor's Fiscal Advisory Committee

We met with three members of the Mayor's Fiscal Advisory Committee to give them an overview of our organization and priorities. The committee members were supportive of the department's direction and indicated that they might be able to provide some high level assistance in dealing with automation issues if we needed it. They have indicated that they will respond back to departments by the end of July regarding a scope of work.

- Civil Grand Jury Report

We worked with the CAO and City Attorney to develop a response to the portions of the report which concerned Purchasing.

- Procurement System and Government Financials Projects

MIS staff in both Purchasing and the Controller continued intensive efforts to implement ONLINE FAMIS and ADPICS. Initial ADPICS implementation started on June 19 at Purchasing, Controller, PUC, Laguna Honda, DPH Health Centers, CMHS, SFGH, Laguna Honda, Airport, DPW Army, and DPW Water Pollution Control. "Roll outs" and multiple follow-ups have been conducted at each of the implementation sites.

New forms, procedures, and training materials have been developed for ADPICS processing. We have conducted training on manual forms and online functions for over 300 users so far.

Testing of ADPICS functions was completed in advance of the June 19th implementation.

The POPS and FAMIS vendor/commodity file has been converted to ADPICS. A new HRC-to-ADPICS vendor interface has been developed and will go into production in August.

The schedule of training for all departments and our own purchasing staff continues to be very heavy, and will continue at least through August.

- Procedures Development/Legislation/Communications

- Procurement Manual: The City Attorney has begun the second part of the review of the instruction on FTA-funded purchases. The new FTA flow-down provisions were distributed.
- Major revision to Administrative Code: The revision to Chapter 21 was approved by the City Attorney. The legislation is scheduled to be introduced in the next two weeks.

PROCUREMENT SERVICES

4th Quarter Activities and Accomplishments (continued)

- Proposition Q: We successfully encouraged several more departments to sign up for Prop Q authorization. We are still planning additional Prop Q training. Rather than do separate training, we are going to combine it with ADPICS training over the next several months.

We worked with the Controller's Audits Division to conduct Prop Q audits of two departments during the quarter, with copies to the CAO's Office. Two more audits are scheduled over the next few months.

- Vendor outreach: We sent out a Citywide memo publicizing the weekly bid newsletter and noting that it is available on Channel 54 and the Internet.

We began working with the Association of Bay Area Governments (ABAG) to put the City's bid information in the automated ABAG Contracts Exchange.

We participated in the Responsible African American Youth Conference, sponsored by the SFUSD and the Alliance of Black School Educators. We also developed a draft outline of possible future programs for consideration by the School of Business and Commerce.

- Human Rights Commission: We sent HRC a preliminary list of legislative and procedural improvements to streamline the MBE/WBE ordinance and its implementation.

After reviewing the draft of HRC's 93-94 MBE/WBE Implementation Report, we sent HRC a list of corrections for Purchasing's data.

We suggested to HRC staff that they consider posting the MBE/WBE directory on the Internet.

- Airport MOU: The MOU regarding on-site Purchasing support was approved and distributed.

- Official Advertising

The official advertising contracts were awarded to the Independent (nonconsecutive day) and the Examiner (consecutive day). Also, for the first time, outreach advertising contracts were awarded to four community newspapers.

- San Francisco General Hospital Purchasing

The prime vendor bid process began June 21. Step 1 is a prequalification of interested vendors who meet the minimum requirements. Step 2 will consist of a competitive bid from the prequalified bidders from Step 1.

Other highlights of the quarter included:

- completion or final evaluation of several large contracts including: Obstetric Central Monitoring System; Cardiology; Laundry Services; Radiology Film; Grocery;
- continued work on the DPH Materials Management System RFP.

PROCUREMENT SERVICES

4th Quarter Activities and Accomplishments (continued)

- Term Contracts

Twenty-six term contracts were awarded or extended during the quarter. Among these were:

- sale of surplus wood (new);
- medical transcription services (new);
- electric transportation vehicle parts (new);
- safety supplies (new).

In addition, twenty-six term contracts were in the process of being reviewed, revised, bid, or evaluated for award, including:

- glass (facility);
- laundry services.

Additional prospective new term contract areas identified during the quarter include:

- roofing materials and supplies;
- arts and crafts materials (Rec and Park).
- automobiles (sedans).

- Contracts for New Main Library

Rebids for the Systems Furniture were received on June 30. Bid proposals for the standard furniture package and the library move contract will be issued in July.

- 800 Mhz Project

Bids were evaluated and a committee recommendation was received by Purchasing. The final price and contract conditions are being negotiated and a contract award is expected to be made in July.

- 911 Project

Purchasing is assisting in the preparation of the Request for Proposals for consulting services to develop the project specifications.

- Videoconferencing Equipment and Services

We determined with the City Attorney's office that a State contract could be used for this project.

- Computer Store Project

This project is being structured as a two-step process. Four vendors are being prequalified in step 1 for competitive bid in step 2. User departments will be required to obtain three quotes from the contract vendors for transactions exceeding \$2,500.

PROCUREMENT SERVICES

4th Quarter Activities and Accomplishments (continued)

- "Hot Site" Project

The RFP for this project was advertised and mailed out on July 13, with responses due by August 29.

- Mayor's OES Task Force

Purchasing staff participated in a Logistics Section training conducted by OES and State of California staff in April. OES staff has not finished the final review of the Emergency Response Plan, having been heavily involved in the UNSO activities.

- Surplus Sales

Purchasing staff attended and monitored the monthly auction in Napa of surplus vehicles and equipment in June. The sales have been well conducted and attended, and revenues have been high.

Performance Indicators

Volume, processing time, and MBE/WBE participation figures cannot readily be produced at this time, and we have suspended preparing these data pending the implementation of ADPICS. Data will be available for the 1st quarter of FY 95-96.

PROCUREMENT SERVICES

OBJECTIVES FOR FY 94-95

OBJECTIVE	TARGET
THE MOVE. Move Purchasing operations to Folsom Street. Completed.	3rd Q
ORGANIZATION AND STAFFING: <ul style="list-style-type: none"> Continue manager and buyer rotation. Completed. See below. PUC reorganization: develop staffing plan with management for Water and Muni. 	continuing 1st Q
Completed. A reorganization and buyer rotation plan was developed and implemented, the primary impetus for which was the need to focus additional resources to serve the Muni/PUC satellite unit.	
AUTOMATION. Continue implementation of the automated procurement system, including: <ul style="list-style-type: none"> Implement POPS in central office. Completed. Move systems from Wang to the LAN (based on move schedule). Completed. ADPICS, existing resources: <ol style="list-style-type: none"> Establish a Purchasing and Controller's Working Group to identify and resolve common policy and procedural issues related to ADPICS and On-Line FAMIS implementation. Complete detailed scope statement and implementation plan with the Controller's staff for ADPICS. This will identify how, when, and where ADPICS will replace the various encumbrance and payment documents of FAMIS and POPS. These processes include TPAs, DPAs, RPOs, bids, Pos, Contract Orders, etc. Completed. We completed the high level scope statement and implementation plan for ADPICS with the Controller's staff. It was presented to the project guide group in December as part of the overall ONLINE FAMIS implementation.	1st Q 2nd Q 1st Q 2nd Q

PROCUREMENT SERVICES

OBJECTIVES FOR FY 94-95

OBJECTIVE	TARGET
<ul style="list-style-type: none"> • ADPICS, additional resources: We will meet in November to discuss additional staff needed to implement the initial ADPICS scope as defined above at the following sites: <ul style="list-style-type: none"> – Controller, at satellite sites and at central office. – Purchasing, central and decentralized, level TBD – S.F. Airport – other satellite departments <p>Completed. We met with the Controller in December and several times subsequently to discuss project funding. The Controller decided not to request a supplemental at this time, but instead to work with existing resources pending further definition of needs.</p>	<p>4th Q</p>
<p>PROCEDURES DEVELOPMENT/LEGISLATION/COMMUNICATIONS:</p> <ul style="list-style-type: none"> • Approval to contract out: participate in Human Resources committee to review and streamline or eliminate Prop. J and CSC approval procedures for personal service contracts. <p>Completed.</p> <ul style="list-style-type: none"> • Develop generic expediting procedures. <p>Not completed. Developing these procedures has been deferred pending the implementation of ADPICS, which has an expediting component.</p> <ul style="list-style-type: none"> • Update user Guide: <ul style="list-style-type: none"> – Chapter 300, Revolving Fund and DPVs – Chapter 500, TPAs – Chapter 600, Contract Orders <p>Partially completed. Revisions were completed for Chapter 300 (direct payment vouchers and revolving funds), Chapter 100 (introduction), and Model Personal Services Contract. Chapter 400, "The Requisition for Purchase Order," was updated to incorporate new procedures for decentralization of purchase order invoices. Revisions to Chapters 500 and 600 of the <i>User Guide</i> are pending ADPICS implementation.</p>	<p>1st Q</p> <p>2nd Q</p> <p>2nd Q 4th Q 3rd Q</p>

PROCUREMENT SERVICES

OBJECTIVES FOR FY 94-95

OBJECTIVE	TARGET
<ul style="list-style-type: none"> • Issue new internal manual instructions: <ul style="list-style-type: none"> – Term Contract Development – Emergency and Rush Purchases – Safety Standards – State and Federal Exceptions to Purchasing Procedures. <p>Partially completed. The section on term contracting was published, along with a general update. The other sections have been drafted and are in the review process with managers and the City Attorney.</p>	<p>1st Q 2nd Q 3rd Q 4th Q</p>
<ul style="list-style-type: none"> • Revise Chapter 21 of the Admin. Code (submit draft legislation to Board). <p>The revision was approved by the City Attorney's Office, and is being submitted to the Board early in FY 95-96.</p>	<p>2nd Q</p>
<p>PURCHASING OPERATIONS:</p> <ul style="list-style-type: none"> • SFGH prime vendor project: transfer Supervising Purchaser after SFGH hires Materials Manager and provides adequate offices facilities. <p>Completed.</p> <ul style="list-style-type: none"> • Low-\$ facilities contracts: work with DPW and City Atty to explore feasibility of Purchasing issuing such contracts. <p>We have not yet received a response from the City Attorney about the possibility of our assuming responsibility for some level of facilities contracts.</p> <ul style="list-style-type: none"> • Prop. Q audit program: <ul style="list-style-type: none"> – Contact large departments which are not part of the program to review how they can participate. – Conduct audits of two departments, based on the following procedures: <ol style="list-style-type: none"> 1. done by Internal Audit and Purchasing, either together or separately. 2. audits will be periodic and operational (as opposed to financial). 3. will check general compliance with procedures. 4. will further educate departments on procedures. 5. procedures will be revised based on audit findings. <p>Completed. Most departments now have signed up for Prop Q authorization. Two audits were conducted, jointly with the Controller's Audits Division.</p>	<p>1st or 2nd Q</p> <p>2nd Q</p> <p>1st Q 3rd Q and 4th Q</p>

PROCUREMENT SERVICES

OBJECTIVES FOR FY 94-95

OBJECTIVE	TARGET
<ul style="list-style-type: none"> • Training programs, internal and external: <ul style="list-style-type: none"> -- POPS -- ADPICS -- Departmental training <p>Continuing. We have been supporting a very intensive schedule of training sessions on ADPICS and ONLINE FAMIS, which will be continuing over the next several months.</p>	<p>1st Q 4th Q 4th Q</p>
<p>CONSOLIDATING CONTRACTS. Develop 36 new term contracts, centrally and at satellites. Progress will be reported quarterly.</p> <p>Completed.</p>	<p>4th Q</p>
<p>MBE/WBE PARTICIPATION:</p> <ul style="list-style-type: none"> • Continue to actively support the MBE/WBE program operationally and to participate in outreach activities. <p>Continuing.</p> <ul style="list-style-type: none"> • Explore whether contracting information is appropriate for Channel 54. <p>Completed. The weekly bid newsletter now is available on Channel 54 and the Internet. We also began working with ABAG to put bid information in the automated ABAG Contracts Exchange.</p>	<p>continuing</p> <p>1st Q</p>
<p>CENTRAL WAREHOUSE:</p> <ul style="list-style-type: none"> • Participate on Mayor's Office of Emergency Services task force to revise emergency response plan documents. <p>Continuing. Purchasing staff has served a lead role on the task force. OES staff is in the final review stage for the plan.</p> <ul style="list-style-type: none"> • Continue to monitor contractor performance in surplus sales. <p>Continuing. Purchasing staff attended and monitored monthly auctions every quarter.</p> <ul style="list-style-type: none"> • Publish Surplus Sales procedures. <p>Completed.</p>	<p>continuing</p> <p>continuing</p> <p>1st Q</p>

CENTRAL SHOPS

4th Quarter Activities and Accomplishments

- Alternative Fuels

Bids for the CNG fueling station project opened in early July, and were much higher than expected, exceeding the available grant funds by a significant amount. We will be asking PG&E engineering staff to review the specification and bids to see if they have any suggestions on ways to reduce costs.

- Vehicle Leasing Program

The Budget Analyst for the Board of Supervisors completed the zero-based budget review of Purchasing, and presented the report to the Board's Budget Committee. The report and presentation were positive and supportive of the department.

In the report, the Budget Analyst endorsed our proposal to implement a vehicle leasing program; however, as the report acknowledges, funding of the program still has not been provided in the budget. One of the report's recommendations was for the CAO to analyze the feasibility of various ideas for reducing the size of the general purpose fleet, including; establishment of a Civic Center pool; increased reliance on employees' own vehicles for City purposes. We are working with the CAO's staff on this project.

- Drug and Alcohol Testing Program

We implemented the Citywide procedures for DOT/FHWA drug and alcohol testing that were completed and distributed by the Department of Human Resources. Central Shops employees already have been tested under the pre-employment requirement, and random tests are expected to start soon.

- Workers Compensation and Safety

The new spray booth went into service this quarter, which will enable the painters to spray large trucks in a more well-ventilated and controlled environment.

- New Ambulances

Shops staff assisted in developing a specification for the purchase of nine new ambulances.

Performance Indicators

- Vehicle Availability

Average monthly availability targets were met for all fleets during the quarter. Daily targets were not met in April for the DPW aerial trucks fleet.

CENTRAL SHOPS

OBJECTIVES FOR FY 94-95

OBJECTIVE	TARGET
AUTOMATION. Complete automated fleet management system project. Completed.	2nd Q
INJURY PREVENTION PROGRAM: <ul style="list-style-type: none"> Continue addressing corrective actions needed in response to DPH baseline inspection. Shops completed implementation of the most important corrective actions identified in the inspection, along with many of the less critical items.	continuing
<ul style="list-style-type: none"> Achieve adequate savings in Central Shops expenditures to pay recently acquired workers' comp cost. Completed, based on workers comp billings received to date (6 months).	4th Q
ALTERNATIVE FUELS FOR CITY VEHICLES: <ul style="list-style-type: none"> Attempt to add approx. 12 new CNG vehicles to fleet. Completed. The Transportation Authority approved \$260,000 for Central Shops to purchase CNG vehicles. This brings the total grant funding we have been awarded to nearly \$1.5 million. Vehicles have not yet been purchased because of conversion kit problems, but will be purchased soon.	4th Q
<ul style="list-style-type: none"> Complete CNG station at DPW's Army St. Corporation yard; schedule dependent upon DPW. Bids opened in early July were much higher than expected, significantly exceeding the grant funds. We are exploring ways to reduce costs.	2nd Q, FY 95-96
VEHICLE LEASING/CHARGEBACK SYSTEM. Begin to prepare model vehicle lease-chargeback program in August. Completed, but not implemented by Mayor's Office in the budget.	continuing
REREFINED OIL. Convert approximately half the fleet maintained by Central Shops from virgin oil to rerefinned oil. Completed.	3rd Q FY 94-95
MBE/WBE ORDINANCE. Continue to monitor compliance with HRC agreement. Shops has complied with the HRC agreement throughout the year.	continuing

FLEET	FLEET SIZE	# AVAILABLE DEMAND ACTUAL	% AVAILABLE DEMAND ACTUAL	DOWN DAYS AVG TARGET	TARGET DAYS ABOVE BELOW
Ambulances	21	16	76%	3	20 0
Fire-Aerials	26	18	69%	1	30 0
Fire-Pumpers	58	41	71%	1	30 0
Police-Autos	560	520	93%	6	
Police-Motorcycles	90	85	94%	2	
Traffic-Motorcycles	272	245	90%	1	20 0
DPW Sweepers	40	30	75%	2	20 0
DPW Constr Equip	93	70	75%	6	20 0
DPW Paint Striper	2	1	50%	0	20 0
DPW Sewer Cleaners	12	8	67%	10	20 0
DPW Pack/Load/Flus	22	14	64%	10	20 0
DPW Aerial	7	5	71%	7	20 0
Truck Shop Fleet	650	585	90%	8	20 0
Car Shop Fleet	1000	950	95%	1	20 0

C. Vejdovsky

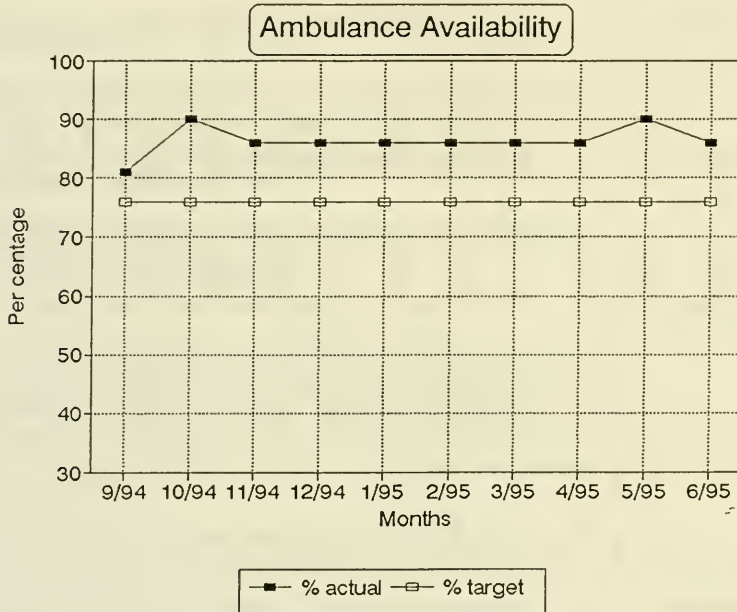
D. Cowley

VEHICLE AVAILABILITY REPORT

Central Shops

Jun-95

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET	ACTUAL	AVG	TARGE	ABOVE	BELOW
		#	%	#	%		
ambulance	21	16	76%	18	86%	3	20
						0	

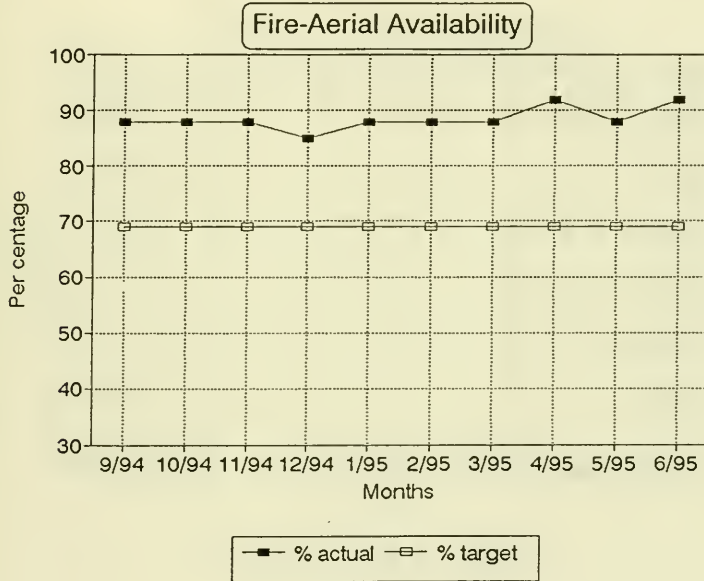


VEHICLE AVAILABILITY REPORT

Central Shops

Jun-95

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET	ACTUAL	AVG	TARGE	ABOVE	BELOW
		#	%	#	%		
aerial	26	18	69%	24	92%	1	30

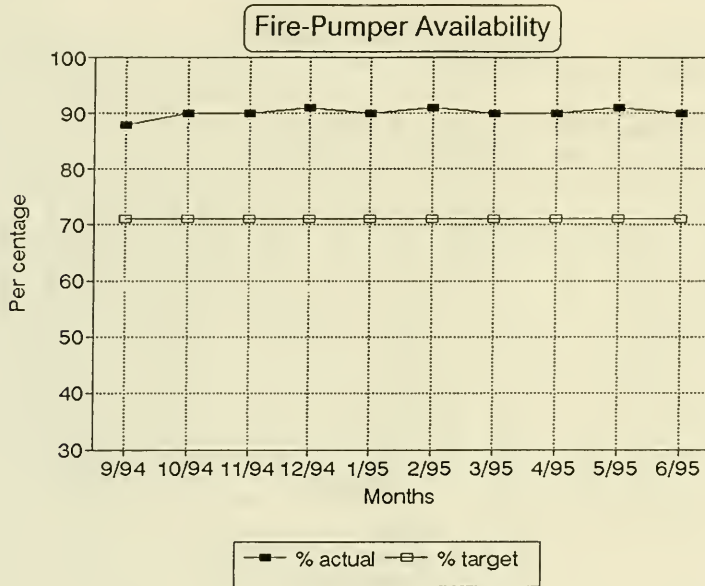


VEHICLE AVAILABILITY REPORT

Central Shops

Jun-95

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS		TARGET DAYS	
		TARGET		ACTUAL		AVG	TARGE	ABOVE	BELOW
		#	%	#	%				
pumpers	58	41	71%	52	90%	1		30	0

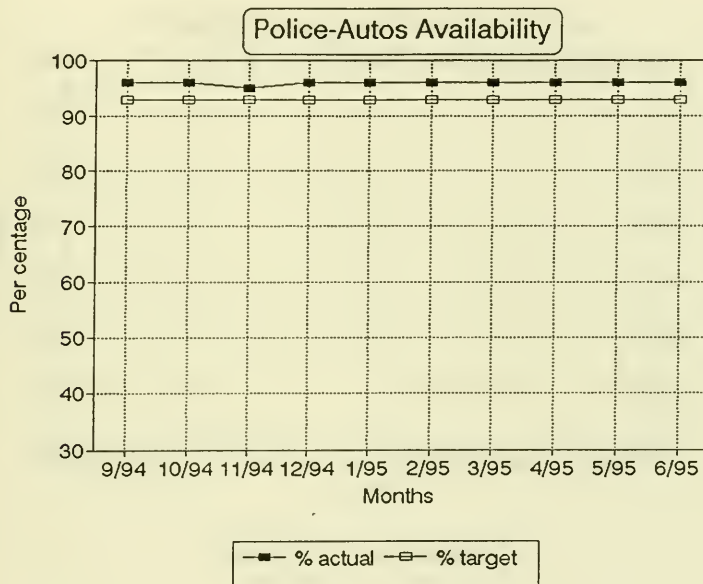


VEHICLE AVAILABILITY REPORT

Central Shops

Jun-95

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	ABOVE	BELOW
police autos	560	520	93%	536	96%	6	

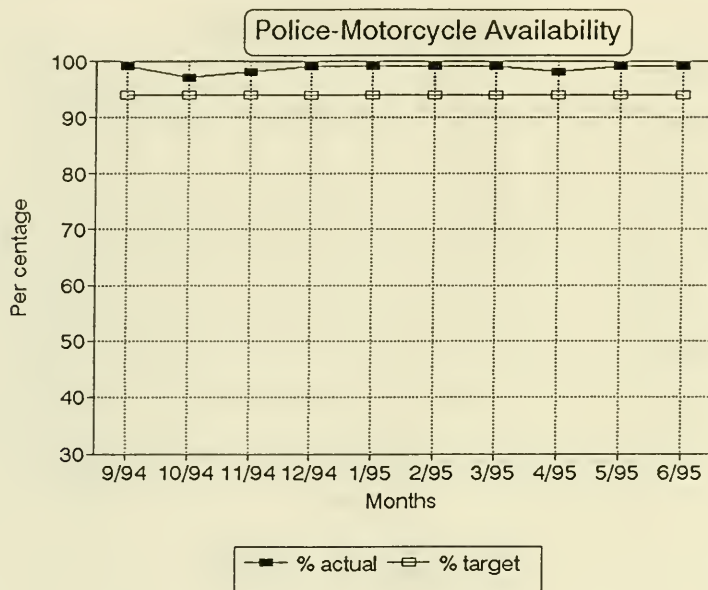


VEHICLE AVAILABILITY REPORT

Central Shops

Jun-95

FLEET	FLEET		AVAILABLE		DOWN DAYS AVG	TARGET DAYS	
	SIZ	TARGET	ACTUAL			ABOVE	BELOW
		#	%	#	%		
police motorcycles	90	85	94%	89	99%	2	

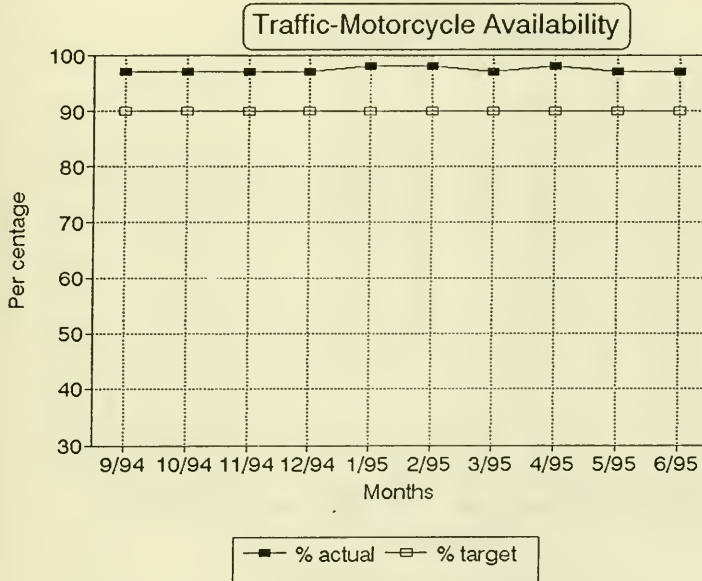


VEHICLE AVAILABILITY REPORT

Central Shops

Jun-95

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGE	ABOVE BELOW
traffic	272	245	90%	265	97%	1	20 0

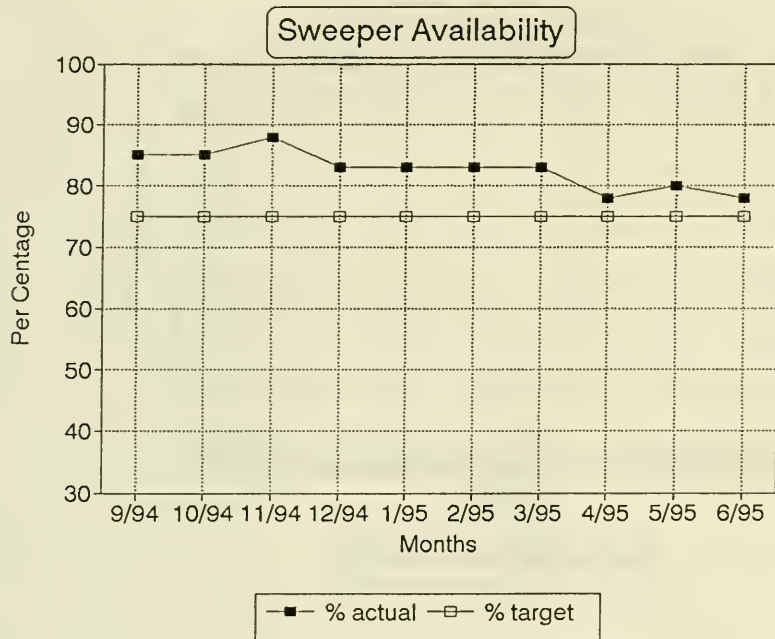


VEHICLE AVAILABILITY REPORT

Central Shops

Jun-95

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS	TARGET DAYS	
		TARGET	ACTUAL		AVG	TARGE	ABOVE	BELOW
		#	%	#				
sweepers	40	30	75%	31	78%	2	20	0

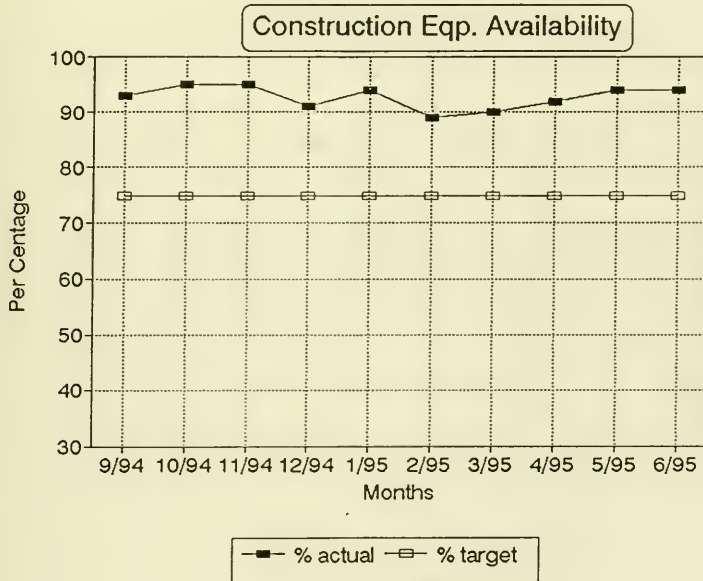


VEHICLE AVAILABILITY REPORT

Central Shops

Jun-95

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET	ACTUAL	AVG	TARGE	ABOVE	BELOW
		#	%	#	%		
constr equip	93	70	75%	87	94%	6	0

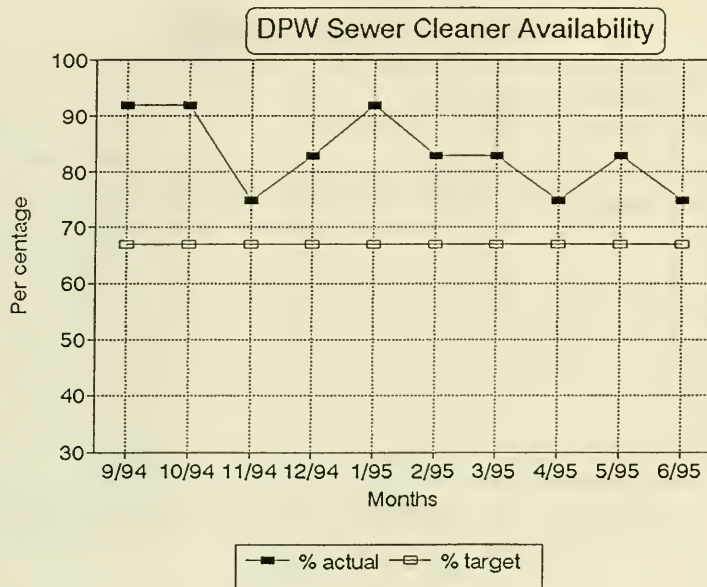


VEHICLE AVAILABILITY REPORT

Central Shops

Jun-95

FLEET	FLEET SIZE	AVAILABLE				DOWN DAYS		TARGET DAYS	
		TARGET		ACTUAL		AVG	TARGE	ABOVE	BELOW
		#	%	#	%				
sewer cleaners	12	8	67%	9	75%	10		20	0

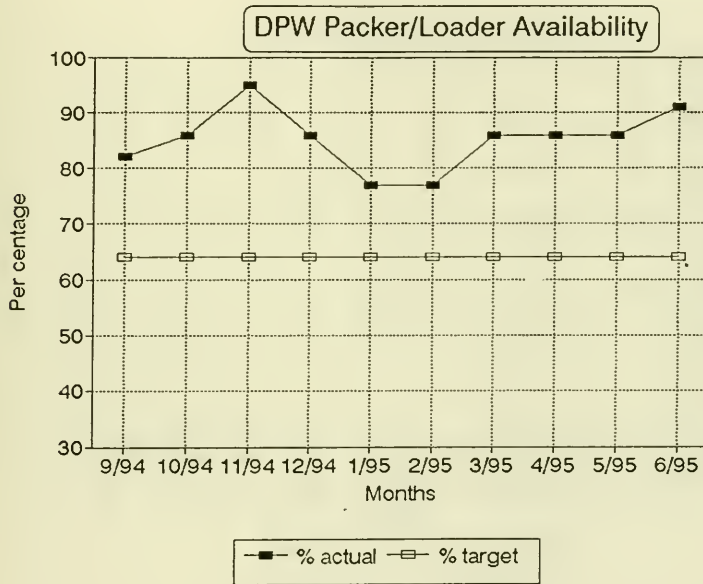


VEHICLE AVAILABILITY REPORT

Central Shops

Jun-95

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGE	ABOVE BELOW
pack/load/flus	22	14	64%	20	91%	10	20 0

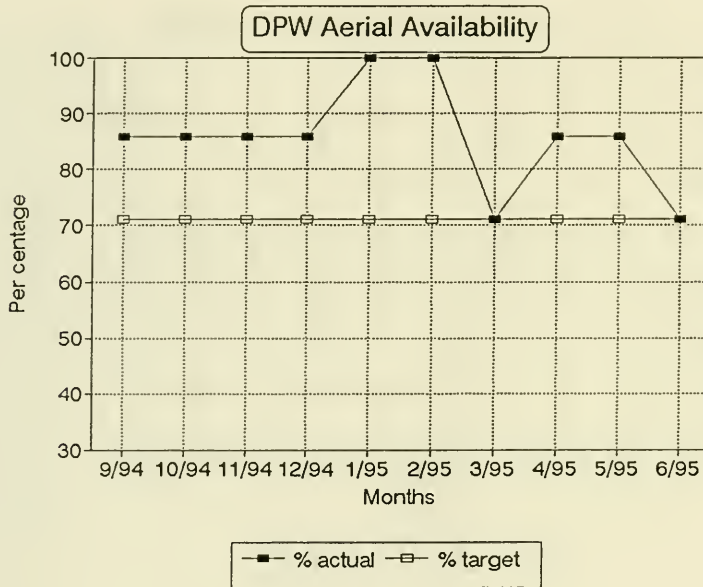


VEHICLE AVAILABILITY REPORT

Central Shops

Jun-95

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET	ACTUAL	AVG	TARGE	ABOVE	BELOW
		#	%	#	%		
dpw/aerial	7	5	71%	5	71%	7	20
							0

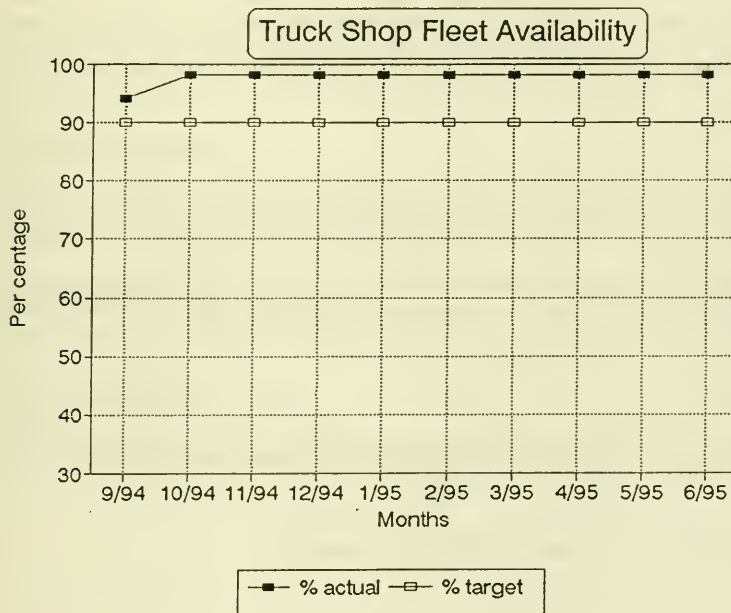


VEHICLE AVAILABILITY REPORT

Central Shops

Jun-95

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG TARGE	ABOVE BELOW
truck shop	650	585	90%	636	98%	8	20 0

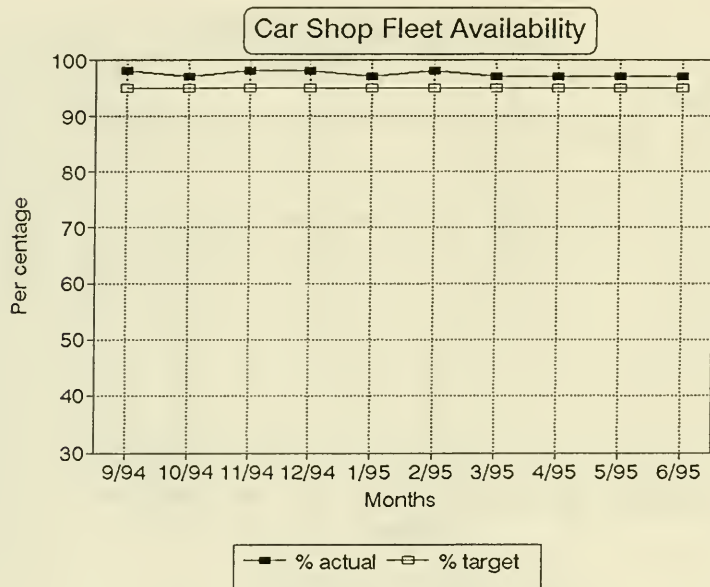


VEHICLE AVAILABILITY REPORT

Central Shops

Jun-95

FLEET	FLEET SIZE	AVAILABLE		DOWN DAYS		TARGET DAYS	
		TARGET #	%	ACTUAL #	%	AVG	TARGE ABOVE BELOW
car shop	1000	950	95%	971	97%	1	20 0



REPRODUCTION AND MAIL SERVICES

4th Quarter Activities and Accomplishments

- Network Server

Testing for the new network server for the Docutech electronic publisher is still in process, because of various technical and networking problems.

- Muni Print Shop Consolidation

Despite extensive efforts, neither the Mayor's Office nor the Board of Supervisors Budget Analyst resolved the issue of print shop consolidation in this budget cycle. Our position has been that, from an operational standpoint, we can support Muni's needs; however, we do not want either the Mayor or the Board to force a consolidation if Muni continues to feel strongly that it must retain its own shop.

- Systems Documentation

Instead of continuing development of our own in-house system, we requested and received budget approval for a new off-the-shelf commercial application that will fulfill our needs and be easier to maintain. Accordingly, we have suspended efforts to document the existing system.

- Production of the Mayor's budget. We provided substantial support to the Mayor's budget staff in the creation of budget summaries and production of the required budget documents to meet the June 1 deadline.

Performance Indicators

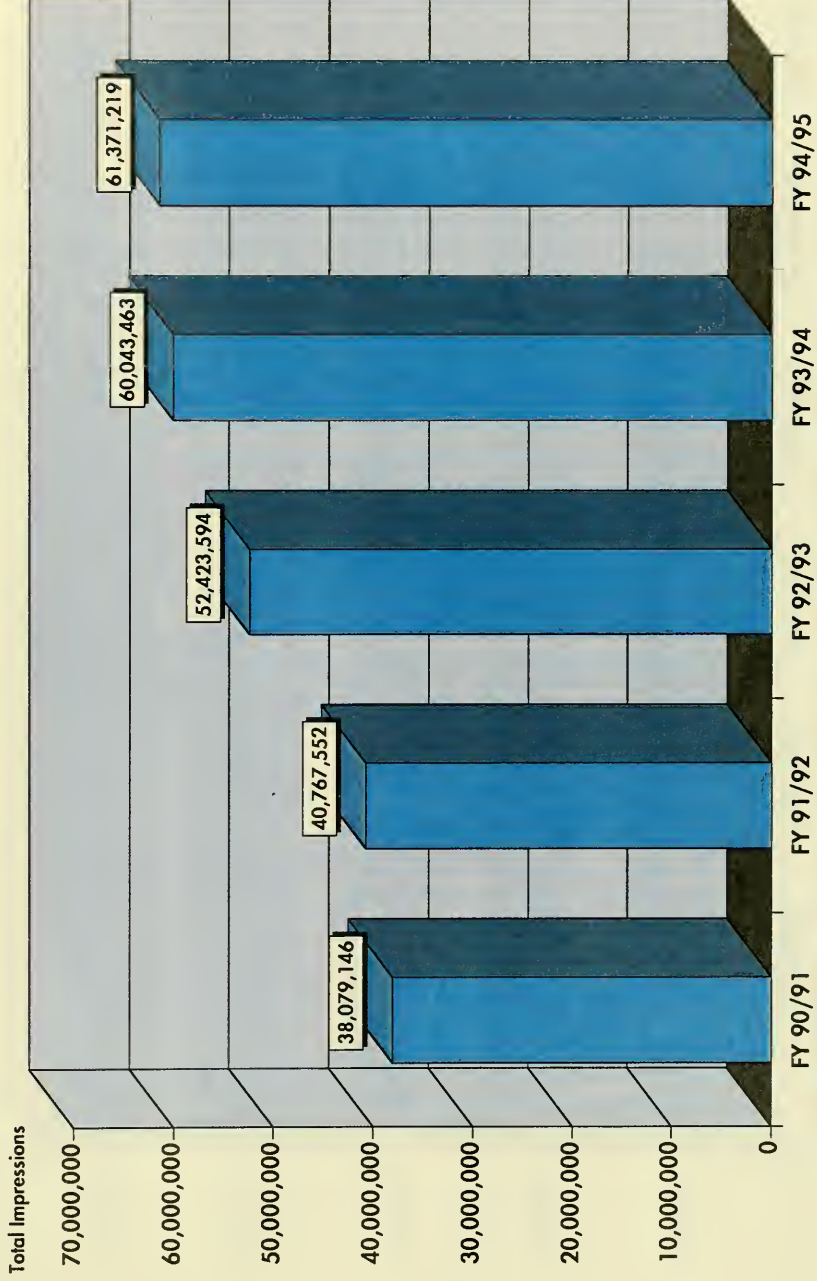
Both printing and mail volumes were consistent with historical levels.

REPRODUCTION AND MAIL SERVICES

OBJECTIVES FOR FY 94-95

OBJECTIVE	TARGET
<p>CONSOLIDATIONS:</p> <ul style="list-style-type: none"> • Muni print shop consolidation study was completed last year, and Mayor's Office agreed in principle to consolidate the Muni shop into Reproduction. During this year, the Mayor's Office will request more financial data from Muni in anticipation of consolidating Muni's print shop at the start of FY 95-96. <p>Not completed by the Mayor's Office.</p> <ul style="list-style-type: none"> • Continue working with Mayor's Office evaluating consolidation of other City print facilities into Reproduction Bureau. Propose consolidations for start of FY 95-96. <p>Completed by Purchasing, but not implemented by the Mayor or the Board.</p>	<p>4th Q</p> <p>4th Q</p>
<p>PROCEDURES DOCUMENTATION. Finish technical and user documentation for Reproduction and Mail Services financial and accounting system (job tracking, billing, and departmental accounting).</p> <p>Not completed, and this objective has been suspended. See previous page.</p>	<p>2nd Q</p>
<p>THE MOVE:</p> <ul style="list-style-type: none"> • Move both operations to Mart Two. <p>Completed.</p> <ul style="list-style-type: none"> • Inform all departments of how operations will be affected by the move. <p>Completed.</p>	<p>2nd Q</p> <p>1st-3rd Q</p>
<p>SELF-MAILERS. With Controller, prepare cost-benefit analysis (including equipment and staffing) of converting self-mailers (like City paycheck format, but used in U.S. mail), to conventional envelope and mailing piece.</p> <p>Continuing. We have received FY 95-96 budget approval for a new sophisticated printer and inserter that also will support self-mailer capabilities, and will be working with departments and the Controller to convert to self mailers where savings can be achieved.</p>	<p>3rd Q</p>

Reproduction Services Five Year Production History





Mail Services Five Year Piece Count

